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Established 1887

Receives Sacred College

Pope Praises Curia; Asks for Guidance

By Paul Hofmann

ROME, Aug. 30 (NYT) — Pope John Paul I today to help him govern the Roman Catholic Church, and said at the Pontifical Yearbook, the official directory.

In a formal audience for the Sacred College of Cardinals, the pontiff, who had never held a Vatican post, paid tribute to the Roman Curia, the church's central administrative apparatus.

Another recurrent theme in the continuing discussion regarding the nature of the church was supervision of the bishops by the Vatican.

Pope John Paul appeared to allude to complaints by some bishops that they were being too tightly controlled by the Curia. He mentioned "legitimate autonomy" in the church, but he stressed that it required "essential unity of discipline."

When the time had come to bless the participants in the audience, Pope John Paul said that he was about to impart his apostolic benediction, "although this seems a bit strange to me — you all are successors to the apostles."

The off-the-cuff remark sounded like an implicit criticism of the lofty formula that popes have traditionally used for their blessings, even when addressing members of the episcopacy. In church doctrine, all bishops are successors to the apostles.

Every cardinal is also a bishop. In today's audience in the Vatican's Consistorial Hall, 92 cardinals took part.

Pope Paul legislated in 1970 that only cardinals who had not yet completed their 80th year could participate in a conclave for choosing a pontiff. Today, Pope John



Pope John Paul I listens to cardinals state their views.

Paul made a point of treating the aged cardinals with particular deference.

Another Vatican announcement today said that Pope John Paul had confirmed that a general conference of Latin American bishops would be held in Puebla, Mexico, Oct. 12-18, and that he had re-

pointed its chairman, previously nominated by his predecessor.

These are Cardinal Sebastiano Baggio, an Italian Curia official, and Cardinal Aloisio Lorscheider, Archbishop of Fortaleza, Brazil. Both had been mentioned as candidates for the papacy.

Nicaragua Uses Aircraft, Troops Against Uprising

At Least 5 Die As Bombs Fall On Matagalpa

MANAGUA, Aug. 30 (UPI) — National Guard planes today bombed and strafed sections of Matagalpa, a city held by anti-Somoza insurgents armed with machetes, homemade bombs, pistols and rifles, killing at least five persons and starting scores of fires.

On the ground, troops led by the son of President Anastasio Somoza poured heavy machine gun fire on the city hall, held by an estimated 500 young insurgents who were said to control two-thirds of the city.

At least five persons died in the battle, and bodies could be seen lying in the streets.

Four National Guard planes had bombed, rocketed and strafed the city hall and other areas of the city for more than five hours yesterday, sparking many fires. Heavy rains interrupted the bombardment until shortly after dawn.

The young people strung barbed wire on Sunday in central Matagalpa, 90 miles north of here, and created a no-man's-land that the National Guard could not enter because of the gunfire.

'War of Youths'

Witnesses said that the insurgents, who declared the areas they held "Free Territory of Matagalpa," were poorly armed with homemade bombs, machetes, pistols and a few rifles.

Residents were calling the out-



As heavily armed guards stand watch, workmen erect a concrete wall at the entrance of the bunker used by President Anastasio Somoza, who declared Tuesday that he would stay in power.

break "the war of the youths," and many of them were offering the insurgents food, water and shelter.

The National Guard, commanded by Mayor Anastasio Somoza Portocarrero, the president's son, sent in reinforcements by helicopter yesterday to prevent a complete takeover by the insurgents. The National Guard controlled only the Matagalpa army barracks and

some suburban areas, witnesses said.

Violent anti-Somoza outbreaks were also reported in Diriamba, 30 miles south of here, where one person was reported dead and two wounded in street clashes, and in Jinotega, 25 miles south of here.

President Somoza yesterday defied demands, including some by

rightist National Guard officers who reportedly were plotting to overthrow him, that he step down. "My resignation would insure a Marxist takeover," he said.

"I intend to remain as president until my term expires," he added. He promised a "fair and honest election" in 1981.

Gen. Somoza has ordered the ar-

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E. German Hijacks Polish Jet to W. Berlin

From Wire Dispatches

BERLIN, Aug. 30 — An East German armed with a 22-caliber pistol today hijacked a Polish aircraft with 63 passengers to West Berlin and asked for asylum in the city for himself and nine other East Germans, two of whom were reported to be his wife and daughter.

news agency PAP identified the suspected hijacker as "foreign tourist Detlef Tiede" without giving his nationality. The application for asylum may not be necessary as East Germans are said to have an automatic right to West German residence.

The hijacker surrendered his weapon and himself to U.S. Air Force police as soon as the aircraft

a Soviet-made TU-134 originally flying to East Berlin, landed at West Berlin's Tempelhof Airport.

U.S. officials in Washington said that the group was in custody of the U.S. Army commandant in Berlin, Maj. Gen. Calvert Benedict.

The remaining passengers were served coffee in an airport waiting room. Some of them left in the same plane for East Berlin six

hours later and the rest were driven there in buses, a U.S. Air Force spokesman said.

'Makings of an Incident'

The Washington officials said that the hijack "had the makings of an incident" with the Soviet Union. Soviet authorities in Berlin had demanded that the U.S. Air Force forbid the plane to land.

They said that the United States was considering how to resolve a series of complicated legal questions arising from the fact that Berlin was technically still considered occupied by the four former World War II Allies — the United States, the Soviet Union, Britain and France.

One of the key issues, according to the officials, was whether U.S. or local authorities should deal with the hijacker and those who surrendered with him.

At the State Department, the Office for Combating Terrorism set up a working group to coordinate information between the department's European bureau and the Pentagon.

Left From Gdansk

The aircraft of the Polish airline LOT was flying from Gdansk, formerly Danzig, to East Berlin, when the hijacker took command.

As soon as it landed at Tempelhof, it was surrounded by U.S. Air Force fire trucks. A group of U.S. officers went to speak to the hijacker and to the pilot.

The last hijacking in Berlin occurred on April 9, when two brothers who belonged to an aero club in East Berlin suddenly turned away from their own airport and hopped across the demarcation line into West Berlin, where they landed at a British airport and asked for asylum.

Tempelhof Airport was the city's main commercial airport until three years ago, when most commercial and charter aircraft moved to Tegel, further from the city center. Tempelhof was the heart of the Allied airlift that defeated the Soviet blockade of West Berlin in 1948-49.

Only a few U.S. Air Force and Army aircraft are stationed at Tempelhof. But the Air Force maintains the airport so that it could resume full-scale operations on short notice.

Carter Weighs U.S. Force in West Bank

By Jim Hoagland

WASHINGTON, Aug. 30 (WP) — President Carter will carry proposals to the Camp David summit to the Middle East that include establishing a U.S. air base in the Sinai peninsula and posting U.S. troops on the West Bank if these steps are needed to break a negotiating deadlock, sources said yesterday.

While Mr. Carter reportedly believes that such steps will not be needed, he already has explored the idea significantly expanding the U.S. military presence interposed between Arab and Israeli forces.

Mr. Carter will play host to Israeli Prime Minister Menachem Begin and Egyptian President Anwar Sadat at Camp David, Md., for discussions that begin next Monday.

Mr. Sadat had originally scheduled, Mr. Carter will stop in Paris on Monday to meet President Jerry Giscard d'Estaing, diplomatic sources reported.

The Camp David talks are expected to continue into the following week, Mr. Begin said Sunday.

Flashed in March

The idea of replacing the Israeli troops that now occupy the West Bank of the Jordan River with U.S. troops originally was floated by the senior administration in March.

Mr. Begin and Mr. Carter shed in Washington over Israeli security needs.

It was shelved then, but the call of the summit has caused Mr. Carter's Middle East experts to re-examine the idea as a longshot possibility among the detailed suggestions that will take to Camp David.

Israel traditionally has opposed a large military presence in the Sinai, while Mr. Sadat has called for Israeli withdrawal from the Sinai Peninsula and the Golan Heights occupied in the 1967 Arab-Israeli war.

The White House has imposed its secrecy on its preparations for the summit. Administration officials declined to comment publicly on the idea of a U.S. military presence would not "the focus" of U.S. efforts at Camp David.

Mr. Begin's government has indicated that it is prepared to return to a final peace agreement, but is concerned about giving up control of a large air base it has established there.

which has been the scene of terrorism and Arab protests against Israeli occupation, would be a far more controversial step and has been the subject of private explorations by the administration.

The idea was presented in an indirect and informal way to Mr. Begin and Foreign Minister Moshe Dayan last spring by Mr. Carter and Secretary of State Cyrus Vance, according to sources. Mr. Begin told a news conference at the close of his visit in March that Israel did not "want even one American soldier to fight our battles."

But shortly before the White House announced on Aug. 8 that Mr. Begin and Mr. Sadat had accepted invitations to the summit, Mr. Carter touched on the concept

with congressional leaders at a White House briefing.

Mr. Carter's approach was so vague that there was no discernible reaction from the group, according to one source present. Mr. Vance, in an equally elliptical reference, also told the Senate Foreign Relations Committee in a secret session the following week that the administration was not ruling out such an idea if it would bring peace.

Egyptian-Saudi Talks

CAIRO, Aug. 30 (Reuters) — President Sadat sent his vice president for Middle East talks in Saudi Arabia tonight, just hours before a scheduled meeting of his closest aides to plan strategy for the Camp David summit, informed sources said.

Similar Operation

After consolidating their hold on Batroun, the Syrians turned to the neighboring province of Bcharre in a similar three-day operation of house-to-house searches for arms and Christians.

The bodies of six young men from Bcharre were reportedly found in woods near the city yesterday. Bcharre's two representatives in parliament rushed to the presidential palace in Beirut to charge

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Lebanese Christians Say Syrian Forces Killed 54

BEIRUT, Aug. 30 (AP) — Syrian forces killed 54 Christians in their crackdown in northern and eastern Lebanon, Christian spokesmen said today.

A spokesman for the Phalange, the biggest Christian party, said that the bodies of 30 of the slain young men were decomposing in a valley near the village of Kour, 35 miles north of Beirut.

Kour was the main target of Syrian operations begun Friday to disarm Christian militias outside Beirut. The village, on a hill commanding a road network in the Batroun region, was overrun by helicopter-borne Syrian troops backed by tanks.

The spokesman said that 18

Christian bodies were recovered from Kour by a Red Cross team, "but the rescue team was not able to go down the valley to get the 30 other bodies."

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Kurt Waldheim

To Guarantee Free Elections

Waldheim Requests Units for Namibia

UNITED NATIONS, Aug. 30 (UPI) — Secretary-General Kurt Waldheim asked the Security Council today to send 7,500 troops and 1,200 civilians to South-West Africa to guarantee free elections. It would be the largest UN operation since the Congo.

Mr. Waldheim told the Security Council in a report that overseeing elections and monitoring a ceasefire in the guerrilla war in South-West Africa (Namibia) would take a year and cost up to \$300 million — more than half the total annual UN budget of \$500 million.

South Africa has ruled the former German colony since the end of World War I under a League of Nations mandate in defiance of UN resolutions, but this year agreed to a plan for elections and independence in the territory.

The operation proposed by Mr. Waldheim is the largest since the world body sent a force which at its

peak reached 23,400 troops to restore order to the former Belgian Congo, now Zaire, in 1960. The Congo operation took four years and cost \$425 million.

The timetable

Mr. Waldheim said that he would deploy military units in the territory three weeks after the Security Council approves the operation and would bring the force — to be called the UN Transition Group (UNTAG) — to full strength within 12 weeks.

The five-nation Western plan approved by the Security Council July 27 aims to create an independent state in South-West Africa within seven months after council approval of the plan, which is expected before the end of September. This would pave the way for an independent Namibia by late summer of next year.

The 318,000-square-mile territory

has a population of about 800,000 blacks and 96,000 whites. Under the Western plan, UNTAG would:

- Watch the cease-fire between South Africans and black guerrillas of the South West Africa People's Organization and the withdrawal, containment or demobilization of their forces.

- Conduct "free and fair elections," ascertain the release of political prisoners and the return of political exiles.

- Ensure that a constitution for Namibia can be adopted by the Assembly before Namibia declares itself independent.

The UN General Assembly will have to give final approval to the overall financing, but Security Council approval will be sufficient to set the operation in motion.

Contingents Requested

The secretary-general disclosed earlier that he had contacted a number of governments for possible contributions to the force and said that he was confident that he could obtain the required contingents.

"UNTAG," he said in his report, "will not use force except in self-defense. Self-defense will include resistance to attempts to prevent it from discharging its duties under the mandate of the Security Council."

Angolan Firing Reported

WINDHOEK, South-West Africa, Aug. 30 (AP) — Angolan soldiers opened fire on a youth camp in the town of Rundu in northern South-West Africa late yesterday, a South African military spokesman said.

Maj. Gen. Jannie Geldenhuys said that South African troops had launched a military security operation but would not specify if that meant that they had entered Angola.

He said that troops of Angola's ruling MPLA party earlier yesterday occupied the Angolan town of Calai, a former stronghold of guerrillas of UNITA (Union for the Total Interdependence of Angola), one of the factions that fought for control of Angola after its independence in 1975.

To Exchange Prisoners

PRETORIA, Aug. 30 (Reuters) — South Africa and Angola have agreed to exchange prisoners of war, Foreign Minister R.F. Botha said today.

Mr. Botha said in a statement that the exchange would take place under the auspices of the International Red Cross.

No date was announced for the exchange.

Angola holds at least seven South African soldiers, captured during the 1975 civil war when South African troops attacked deep into the country in support of rebels of UNITA and FNLA (National Front for the Liberation of Angola).

Bank Network Believed to Hide Kickbacks of U.S. Agency

By Ronald Kessler

WASHINGTON, Aug. 30 (WP) — Federal agents investigating corruption in the General Services Administration have uncovered a network of bank accounts here and abroad that they believe were used to conceal millions of dollars in payoffs to GSA employees by contractors who maintain and repair federal buildings.

The contractors put money into the bank accounts that they had received from the GSA for contracted maintenance and repair work that never was done, according to sources close to the investigation.

After shifting the money between banks in various cities to make it difficult to trace, the contractors then withdrew some of

Investigators Say Contractors Were Paid by GSA for Imaginary Work

the cash and returned it to the GSA employees who had approved the contracts and payments for nonexistent work, according to the sources.

The GSA employees then moved the payoff money again through several banks, the sources said.

FBI investigators and federal prosecutors who are probing GSA with federal grand juries here and in Baltimore have examined bank accounts in the United States but have yet to check on those traced to foreign countries, including one in Switzerland.

Although no one has been able to add up the amount of money involved, Vincent Alto, a former

Justice Department prosecutor hired by the GSA administrator, Jay Solomon, to help clean up corruption in the agency has said that he believes the money scandal might be the biggest in U.S. government history.

A GSA employee under investigation allegedly received \$250,000 in payoffs in two years, according to the sources. However, the investigators have found that most of the GSA employees being probed live in relatively modest homes.

"There was no ostentation," a source said. "By and large, the GSA people spent it on cars, girls, dinners and trips. About the only thing that wasn't paid for [by the contractors] was util-

ity bills [of GSA employees]. They spent half their days at Hogate's or the Flagship [waterfront restaurants] buying dinners, drinks and girls for everyone."

Last week, seven of the GSA employees under investigation were subpoenaed by a grand jury, fingerprinted, photographed by the FBI and required to provide samples of their handwriting, sources said.

The handwriting samples were needed to obtain further evidence in linking officials with the GSA documents that were signed to approve payments.

The FBI and prosecutors have found that, in most instances, the GSA officials demanded the pay-

ments from the contractors. "The building managers would tell the contractors they had better kick in or they wouldn't get any contracts at all," a source said. "They always received the cash in a one-on-one situation."

As a result, prosecutors must obtain confessions from contractors as proof.

Typically, GSA building managers certified that contractors had performed double or triple the electrical, painting, alteration, repair or construction work that actually was done, sources said.

At CIA headquarters, investigators found that the amount paid by the GSA for installation of floor tile was enough to have

paid for the tiling of floors in a building six or eight times the size of the CIA building, sources said.

"A lot of the floors in the CIA building still have no tiles," an investigator added.

Since the investigations began, morale at GSA has plummeted and employees say that they are fearful of approving any payments to contractors.

Like other government agencies, GSA always has had the reputation of operating at a snail's pace. Contractors now say that it takes even longer to be paid for work.

"That's one of the reasons you had crooked contractors," a source said. "The only ones who could afford to wait until they were paid were the ones who had performed no work."

Israelis Report

Christian Militias to Stop Bar on UN Lebanon Unit

TEL AVIV, Aug. 30 (NYT) — The UN interim force in Lebanon will now be able to complete its takeover of southern Lebanon in accordance with a Security Council resolution without interference from local militias, according to a new agreement.

Israeli Defense Minister Ezer Weizman informed Gen. Ensis Silasvuo, coordinator of UN peacekeeping forces in the region, that the largely Christian pro-Israeli militias across the border will no longer bar the peacekeeping units from a six-mile-wide border belt that the Israelis left under their control after their evacuation of southern Lebanon in April and May.

An arrangement made public af-

ter today's meeting assured the UN peacekeeping force full freedom of movement in the region and provided for the reopening of five lookout posts on the Israeli border, which officers of the UN Truce Supervision Organization abandoned at the outbreak of the Lebanese civil war in 1975.

The UN force will open liaison offices in the Christian enclaves at Bint Jbeil and Marjayoun and will establish military posts at two sites not yet designated, in areas inhabited by Shiite Muslims.

Withstood Pressure

The Israelis have always felt that the peacekeeping forces should keep their eyes on Palestinian terrorists and not on the Israeli border. They withstood strong pressure from the United States and others to persuade the Christian allies to be more accommodating, but they claimed that the militia leaders were independent-minded.

What finally persuaded them today was not explained, but an informed source said the policy change was connected with the fact the UN force's mandate ends Sept. 18 and Secretary-General Kurt Waldheim is scheduled to report to the Security Council.

The Israelis had been warned that he might have to tell the council that the force had not been able to fulfill its mission because of Israeli obstruction.

Beirut Says 54 Killed

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the Syrians with "intolerable massacres."

President Elias Sarkis sent Col. Sami Khatib, the figurehead Lebanese commander of the Syrian peacekeeping forces, to Syria. An announcement afterward said that a number of Syrian officers and soldiers were to be questioned about "transgressions inconsistent with standing orders."

Israeli Concern

In Israel, meanwhile, Israeli radio reported that Foreign Minister Moshe Dayan and Defense Minister Ezer Weizman met with U.S. Charge d'Affaires Sam Hart and expressed Israeli concern that Washington is too passive in restraining Syrian attacks on Lebanese Christians.

Syrian troops intervened in the Lebanese civil war of 1975-76 to prevent defeat of Christians by the Palestinians and their leftist Lebanese Muslim allies because Syrian President Hafez al-Assad did not want a radical government in Lebanon even if it was Moslem. The civil war was fought because Moslems wanted a greater role in the political and economic life of Lebanon.

The Syrians stayed on as the main part of an Arab League peacekeeping force to enforce the ceasefire, but they did not disarm the Palestinians, and the Christians consequently refused to disarm their militias and put their territorial areas under Syrian control.

Now the Syrians are trying to get control of the Christian areas outside Beirut before turning their attention to the capital, where they have been fighting Christian militiamen periodically all year.

Claims Differ On Ambush of Moroccan Troops

RABAT, Morocco, Aug. 30 (AP) — At least six Moroccan auxiliary troops were killed Sunday in an ambush by a unit of the Algerian regular army near Tizi Ouzou, 40 miles from the Algerian border, official Moroccan sources reported.

In Algiers, the Algerian-based Polisario Front guerrilla movement claimed that its forces attacked the Moroccan Army near Tizi Ouzou, killing 34 Moroccan soldiers. Tizi Ouzou is 150 miles south of Taza, but the two announcements undoubtedly referred to the same incident.

It would be the furthest military thrust into Morocco for the Polisario Front since 1975 when its undeclared war against Moroccan occupation of the former Spanish Sahara began.

For Algerian regular troops, it would mark the most serious border incident between the two countries since a short but bloody desert war in 1963.

Israel Is Cool to Reports U.S. Would Offer Troops

By William Claiborne

JERUSALEM, Aug. 30 (WP) — Israel expressed coolness yesterday toward President Carter's reported readiness to offer deployment of U.S. troops to the West Bank and Gaza Strip, saying that the Israeli Army must remain the "center pillar" of security in the occupied territories after any peace agreement.

Responding to Washington reports that Mr. Carter is prepared to propose placing U.S. air defenses in the Sinai Peninsula and U.S. peacekeeping forces in the West Bank if these proposals are needed to break a "Camp David summit deadlock," Israeli Foreign Ministry officials said that air bases in the Sinai are a "very viable possibility," but that U.S. troops in the occupied West Bank could not be a substitute for Israeli military presence there.

The Israeli defense forces, a ministry spokesman said, could "be padded with all sorts of deployments" but he added, "the main center pillar must be Israeli personnel."

Foreign Minister Moshe Dayan had expressed similar reservations in response to reports that U.S. National Security Adviser Zbigniew Brzezinski favored an increased U.S. military role in the Mideast under a regional security agreement.

Topographical differences between the vast Sinai and the relatively compact West Bank, the spokesman said, account for the contrast in Israel's attitude toward the two regions.

Under Israel's peace plan, the Sinai would be demilitarized for the most part, and any military movements could be detected by aerial surveillance and electronic monitoring systems, he noted. However, in the West Bank, he said, "before you turn left or right, somebody bies your ear."

Because any U.S. offer at Camp David to deploy troops in the West Bank and Gaza presumably would be made to ameliorate Egyptian President Anwar Sadat's opposition to continued Israeli Army presence in the area, Israel's current posture on the issue suggests the little room for agreement without a major shift by one side or the other.

Egypt's six-point peace plan calls for immediate withdrawal of the Israeli Army from the occupied territories, as well as a withdrawal of Jewish settlers.

After a meeting last month in Salzburg with Israeli Defense Minister Ezer Weizman, Mr. Sadat was reported to have told Mr. Weizman that Israel would be able to maintain some military presence on the West Bank as defined by Israel's security needs.

However, the Egyptian government has since denied that Mr. Sadat made such an offer, and it has reiterated Egypt's long-standing opposition to having any Israeli troops in the area.

Mr. Sadat plans to stop in Paris on his way to Camp David and meet with the French president, who reportedly is prepared to raise his proposals publicly if the summit meeting results in continued stalemate.

Sithole Rejects All-Party Talks For Rhodesia

SALISBURY, Rhodesia, Aug. 30 (UPI) — Black leader Nkomo said today that his party rejects all-party talks with its white partners in Rhodesia's shaky biracial interim government by rejecting an British-U.S. call for a conference on the country's future that would include nationalist guerrillas.

Mr. Sithole is one of three black leaders who sit with Prime Minister Ian Smith on the ruling Executive Council of the interim government.

Tribal chief Jeremiah Chirau supports the conference idea and Bishop Abel Muzorewa has been undecided. Mr. Sithole has said that he is not opposed to attending negotiations with the guerrilla-backed Patriotic Front, as advocated by Britain and the United States, if an acceptable conference agenda is worked out.

U.S. Vaccination Requirements Disappear Along With Smallpox

WASHINGTON, Aug. 30 (NYT) — For the first time, travelers to the United States no longer require vaccinations of any kind to satisfy federal health regulations.

A recent publication of the Center for Disease Control, the federal health agency in Atlanta, reported that the requirement for smallpox vaccination has been officially dropped. Early in this decade, requirements for cholera and yellow fever vaccinations of travelers also were dropped.

Immunization against some diseases such as polio, tetanus and, in some cases, yellow fever and typhus are still recommended for persons traveling from the U.S., said Dr. William Foege, director of the Center for Disease Control, but now a person can enter this country from any part of the world without a vaccination requirement.

In recent years, the smallpox vaccination requirement has been dwindling in importance as that once-dread disease has gradually been eliminated from the planet under a 12-year international health assault.

It had been the U.S. practice to require smallpox vaccination only for travelers returning from areas where the disease existed. But at the beginning of this year, there was no such area known in the world.



A masked youth in Matagalpa watches a companion, on right with stocking mask and iron bar, raise a pistol on Tuesday, after adversaries of the Somoza government took over most of the city.

Somoza Sends Planes Against Uprising

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rest of hundreds of national guardsmen and political opponents in a crackdown on both the left and right after a weekend coup attempt.

He said that loyal national guard troops had taken into custody 8 to 10 officers and 25 enlisted men involved in plans for the first attempted military rebellion since he took power in 1974.

Unofficial sources said that 200 soldiers and 12 high-ranking officers, as well as 7 civilians, were arrested as suspects in the plot.

Fighting in Interior

Fighting between the guardsmen and Somoza opponents continued in the interior, killing at least one person and leaving many wounded, Red Cross sources said.

The government made its first move to curb criticism by the foreign press. Two Venezuelan jour-

nalists were ordered to leave the country.

The national guard serves as the police and army in Nicaragua, which the Somoza family has ruled for four decades. A spokesman for Gen. Somoza said that the national guard plotters were rightist "hot shots" who believed that the president was preparing to resign and wanted to take over before the vacuum was filled by his leftist opponents.

Other sources said that elements in the military were outraged at what they felt was Gen. Somoza's capitulation to leftist Sandinist guerrillas who exchanged hostages at the National Palace last week for 58 political prisoners.

Remain in Office

Vowing to remain in office, Gen. Somoza said at a news conference yesterday: "The issue in Nicaragua

is the survival of a democratic government. To resign would be to betray the men in uniform who have defended this society with their lives. To resign would be to open this country to chaos and anarchy."

The embattled president said that a general strike that began on Friday had been a failure. He claimed that 98 percent of shops in Managua and 50 percent of those in the interior were open for business.

"The strike is a flop in my opinion. I'm convinced this movement is already defeated," he said. He added that persons trying to close businesses by force would be arrested.

Other sources said that about 40 percent of supermarkets and gasoline stations in the capital had closed. In Leon, Nicaragua's second-largest city, the shutdown was almost total.

Shipyard Workers Strike Against Danish Coalition

From Wire Dispatches

COPENHAGEN, Aug. 30 — Denmark's new coalition government of Social Democrats and Liberals took office today and 1,100 shipyard workers immediately struck in protest.

Social Democrat Anker Joergensen, 57, remained as premier. The Liberal leader, Henning Christophersen, 38, received the second-ranking position of foreign minister. Mr. Joergensen had been holding this post since the resignation in June of Knud Andersen. Mr. Christophersen, a graduate in political science and a former headmaster and journalist, has no experience in government.

The Social Democrats kept 14 Cabinet posts and gave 7 to their new partners.

The ministers went to Amalienborg Royal Palace to be formally presented to Queen Mother Ingrid, acting as regent in the absence of her daughter, Queen Margrethe, who is on an official visit to Greenland.

Other elements in the package include a tax on increased property values and a rent freeze from 1979 to 1980, the sources added.

Among initial reactions from industry and commerce, Erik Rasmussen, chairman of the Confederation of Danish Industry, said it would appear that the new coalition agreement "will be a bitter pill that industry and others will have to swallow."

Thomas Nielsen, the National Trades Union leader, forecast last night that the new government would last only six months and that its economic program could not lead to an income policy to replace the collective wage agreement that expires next spring.

Barre Refuses to Reduce Price of French Gasoline

PARIS, Aug. 30 (UPI) — Prime Minister Raymond Barre refused today to cut the price of gasoline but said that the money France saves on oil imports because of the cheaper dollar will be put into a fund to ease the effects of future oil-price increases.

Mr. Barre announced the decision following the weekly Cabinet meeting under the president, Valery Giscard d'Estaing. He had no immediate figures on how much money might be saved.

The government thus resisted suggestions from many quarters, including Finance Minister Rene Monory, that gasoline prices, among Europe's highest at the equivalent of \$2.80 a gallon, be cut since France pays for its oil in dollars.

France imports 75 percent of its energy and 99 percent of its oil.

The dollar, which cost 4.78 francs six months ago, sagged to 4.21 last week and currently is worth about 4.35 francs.

French retail prices increased 1.2 percent last month in the sharpest blow to French consumers since the government removed corporate price controls and price controls in a single move three months ago. It was the highest monthly price increase this year.

If increases continue at the same rate through the end of year they will bring double-digit inflation to France for the first time since oil prices were tripled in 1974.

The July rate was announced by the National Institute of Statistics. It came as no surprise. And it caused relatively little reaction with half of the French population finishing August vacations.

But Communist Party chief

Georges Marchais, addressing a rally of 1,500 unemployed yesterday, demanded an emergency session of the National Assembly to deal with inflation and unemployment. The next regular session is scheduled for early October.

Inflation in France has been accompanied by creeping unemployment. About 1.2 million persons, 6 percent of the work force, are out of jobs — a postwar high.

With 1970 representing a base figure of 100, French prices now are at 201.3, which means they have doubled in eight years.

4 Cosmonauts Take Earth Photographs

MOSCOW, Aug. 30 (UPI) — A four-man crew of cosmonauts aboard the orbiting Soviet space laboratory Salyut-6 today took photographs of the earth and studied its environment and natural resources, Tass said.

PARIS, Aug. 30 (AP-DJ) — French Industry Minister Andre Girard said today that French petroleum prices will be completely free by the beginning of 1980.

Mr. Girard, who was elaborating on an earlier government communique, told a news conference that, until then, prices will be maintained below a certain ceiling which will be set in accordance with crude oil prices and the dollar-franc exchange rate.

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1980 Date Scheduled

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Tourists Flock to See Mt. Etna Erupting

CATANIA, Sicily, Aug. 30 (AP) — Mount Etna erupted lava, rocks and ashes for the sixth consecutive day today, and thousands of tourists climbed near the lava mouth. 2,600 meters high, to watch.

Authorities reported that the main stream of lava, erupting from eight different mouths on the southeast slopes of the volcano, had flowed down three kilometers. Inhabited villages north of Catania and close to the volcano slopes were not immediately threatened, authorities said.

As Communist Neighbors Fight

ASEAN States Are Prospering

By Jay Marheles

KUALA LUMPUR, Malaysia, Aug. 30 (WP) — Three years ago most of the non-Communist nations of Southeast Asia, which have a history of squabbling among themselves, appeared to be a natural target of the insurgencies promoted by the victorious Communists to the north.

Now, however, the five non-Communist countries along the southern rim of Southeast Asia have dampened their old territorial disputes and are prospering, while the Indochinese states to the north have fallen into the sort of border disputes that once plagued their non-Communist neighbors.

This remarkable turnaround — just three years after the collapse of the U.S. effort in Indochina seemed to put the rest of Southeast Asia in danger — gives the whole southern area a new feeling of security.

More than a decade ago, while the war in Indochina absorbed most U.S. attention, tensions were rampant in the rest of Southeast Asia. Indonesia threatened to attack Malaysia over territorial claims. Malaysia and Thailand sparred over guerrilla problems on their border. The Philippines insisted that it owned Sabah, then as now part of Malaysia.

Illogical Pieces

Today politicians here are going out of their way to cooperate with each other. Malaysian army officers train in Indonesia. Thai and Malaysian troops wage coordinated assaults on border rebels. Singapore security agents track alleged saboteurs wanted in the Philippines. Malaysian police arrest leftists wanted in Singapore.

Handicapped by colonial boundaries that cut the area into a patchwork of often illogical pieces, the five countries long doubted their ability, despite immense natural riches and location on important sea-lanes, to withstand Communist insurgencies aided from the north.

The Southeast Asian Treaty Organization (SEATO) was created in the 1950s to meet this threat, but it included the United States. To many pro-West but non-Communist Asians, it looked too much like a puppet group.

As an experiment, they created a loose grouping called the Association of Southeast Asian Nations (ASEAN), which 11 years later seems to have provided the spark for the new feeling of unity developing here.

Boring Meetings

Founded without high expectations, this glorified consulting and debating society for Indonesia, Malaysia, the Philippines, Singapore and Thailand has become a potent force in spite of itself. Its main activity has been a series of conferences and meetings often so long and boring that delegates have itched like schoolboys to escape to the golf course.

Yet the ASEAN forums have allowed bureaucrats and politicians from the different countries gradually to get a clearer idea of each other's problems and develop the habit of mulling nationalistic attitudes. "People are afraid to score points off of other people for fear of breaking the spirit of ASEAN," a Malaysian diplomat said.

The organization has failed so far to create anything like the Asian common market, that some members had hoped for. Still, the considerable material and population resources of the member states give ASEAN political elan when it negotiates with Western powers.

'Fantastic' Prospects

The five countries total about 250 million people, roughly the same as the European Economic Community, but some would like to see ASEAN resemble that. They control shipping routes between the oil countries of the Middle East and Japan and the United States. They have their own large resources of oil, tin, timber, palm oil and natural rubber.

Every country is growing in real terms by at least 6 percent a year, reports a university economist in Bangkok, adding: "What will be the sum total in 10 years? Fantastic."

That depends on the area's ability to withstand the ups and downs of the international market for tin, timber, oil and rubber. The ASEAN countries have tried to cushion future shocks with markets inside the group, but so far the idea has not worked.

"They often have the same raw materials to sell, and the few light industrial goods they produce also seem to be about the same," a Malaysian businessman said. "With everyone selling toothpaste

and brake shoes, everyone worries about their own share of the market."

This became clear when the five members initiated a scheme to develop five jointly owned industrial products, one in each member country, that would meet special needs of the other members and enjoy special tariff provisions. The proposed urea plants in Malaysia and Indonesia, the phosphate plant in the Philippines, the soda-ash plant in Thailand and the diesel-engine plant in Singapore have yet to produce anything.

Driver's License

Yet Singapore's minister of finance, Hon Sui Sen, observes that ASEAN has done much to ease political tensions in the area, particularly between Singapore and Malaysia after the smaller state was forced out of the Malaysian federation in 1965. "Now that we are grouped in a community of five, we don't concentrate so much on bilateral issues," Mr. Hon said.

The sense of community has developed in small ways. The international airports in Jakarta and Manila have opened separate immigration lines for visitors holding passports from ASEAN countries. A Singapore department store recently held an "ASEAN flags" contest. An ASEAN driver's license is supposed to be available soon.

None of the five member states wins very high marks for freedom of the press or freedom of speech. Each holds a number of political prisoners, counted by the thou-

sands in the case of Indonesia. The governments share similar views on the need for tight security measures.

ASEAN diplomats regularly refrain from suggesting that the five countries are moving toward some kind of military alliance. They have made progress in easing tensions with the Communist states to the north, and they do not want to jeopardize that progress.

Strategic Importance

But officials in each country are taking steps to make future military cooperation possible if needed. Exchanges of military cadets and junior officers for training occur frequently. All five countries have shown interest in producing a standard M-16 as their basic infantry rifle.

The five have often expressed hope that their major trading partners, the United States and Japan, will realize the strategic importance of the group and award it special tariff and aid advantages.

ASEAN diplomats say that they like what they have heard from Tokyo and Washington on such special aid, but they are waiting for concrete action.

Some diplomats here were miffed that the recent gathering of ASEAN foreign ministers in Washington received sparse press coverage. Others said that they expected no more than that and think the Americans will discover Southeast Asia after their current fascination with Africa fades.

China Accuses Vietnam Of 'War Terror' Moves

HONG KONG, Aug. 30 (UPI) — China accused Vietnam today of creating "an atmosphere of war terror and panic" along the two countries' troubled border by seizing more than a mile of Chinese territory and holding the captured land at gunpoint.

Experienced Asian observers said that the two Communist states, once the closest of anti-U.S. allies, appeared to be close to war.

The Chinese news agency said that Vietnam also was increasing its efforts to "clear up the border areas" by exiling Chinese residents of Vietnam to "new economic zones" or driving them across the border into China.

More than 160,000 of these Chinese have crossed Vietnam's northern border as refugees in recent months as a result of alleged "oppression and persecution."

The alleged Vietnamese border incursion and the latest reported harassment of Chinese in Vietnam apparently have caused the abrupt end of a Chinese peace overture to Hanoi.

More Than a Mile

A Chinese vice foreign minister, who was in Hanoi trying to negotiate a settlement of the border problems, has been ordered home since the latest escalation of trouble this week.

The Chinese agency said that Vietnam sent troops across the border on Friday near "Friendship Pass." The invaders reportedly seized Chinese territory extending more than a mile beyond the border and were holding their ground, "with trenches dug and anti-aircraft machine guns set up."

Three Vietnamese and four Chinese reportedly died in the fighting on Friday, China said that about 400 Vietnamese troops were involved in the invasion.

The agency said that Chinese troops had not retaliated, "in accordance with directives of the leadership." But it declared in a commentary that the seizure of territory and the moves against Chinese in Vietnam have "created an atmosphere of war terror and panic."

Diplomatic observers said statements from both sides indicated that the danger of armed conflict has increased.

Embassy Moves Pentecostals Out of Lobby

MOSCOW, Aug. 30 (UPI) — For the first time in more than two months of patient squatting at the U.S. Embassy, seven Pentecostals slept on a bed last night instead of the green plastic couches in the embassy lobby.

Diplomatic sources said that the squatters were moved to a small apartment in the embassy basement that normally is used by cleaners or embassy employees awaiting permanent housing.

The seven, five of them from the same family, pushed into the embassy past Soviet guards on June 27. They say that they will stay until Soviet authorities give them permission to leave the country.

The move "gets them out from under the public eye," a diplomat said. "It was the best solution to a problem that doesn't seem to be going away."

Chinese Invite 70 To Teach Languages

TOKYO, Aug. 30 (AP) — China has invited 70 linguists from abroad to teach foreign languages in Chinese colleges for one to two years and is inviting more professors and specialists for scientific and cultural exchanges, the Chinese news agency said today.

Ninety foreign educators have lectured in China in the first half of this year, the agency said, but it did not indicate how many foreigners now are teaching languages in China.

India Arrests 1,000 Protesting Aid to Untouchables

By William Borders

NEW DELHI, Aug. 30 (NYT) — More than 1,000 persons were arrested today outside the Parliament in a non-violent demonstration against government efforts to improve the lot of the Untouchable minority.

The demonstration followed a number of other disorderly protests on the Untouchable issue this summer. A time of heightened tension between caste Hindus and the Untouchables, the people at the bottom of the ancient social hierarchy.

In southern India, caste Hindus recently killed a dozen Untouchables who had fought a merchant who had molested an Untouchable girl, and in a rural region northeast of Bombay, the two social groups have clashed violently in a dispute

over the government's plan to re-name a university after B.R. Ambedkar, who was one of the most illustrious Untouchables in history.

The dispute that prompted the demonstration today is a classic battle in the caste struggle that is going on throughout India as social change seeps into an ancient feudal structure. It centers on Kanjehawala, a village 20 miles west of New Delhi, where Jat farmers are trying to regain the plots of land that were distributed to Untouchables five years ago as part of a general land-reform plan.

The Jats say that the land is really common grazing ground, which they need for their buffaloes, cows and goats. The Untouchables, who

bave planted the land in mustard and wheat, say that their one-acre plots are a first step toward a better life, and that they are determined to keep them.

Two weeks ago, Jat farmers from the village and nearby areas engaged in one of the most violent demonstrations that has taken place in years outside Prime Minister Morarji Desai's residence in New Delhi. Twenty policemen were injured as the crowds tried to storm the residence, and 160 persons were arrested.

"It is a matter of shame for those who indulged in such action," Mr. Desai said of that disorder, warning that, if necessary, the police would fire on unruly mobs in the future.

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State Department vs. Justice Department

Soviet Spy Case Produces U.S. Interagency Conflict

By John M. Goshko

WASHINGTON, Aug. 30 (WP) — The State and Justice Departments are locked in a sharp, behind-the-scenes dispute about whether the Carter administration's moves against alleged Soviet spies in the United States are fueling the deterioration of U.S.-Soviet relations.

At issue is a problem that has plagued U.S. governments since the height of the Cold War: The clash between the pursuit of better relations with the Soviet Union and the need to safeguard national security. In recent weeks, the conflict has been exacerbated by what high-ranking State Department officials contend is an increasingly hard-line approach toward espionage cases taken by the Justice Department of Attorney General Griffin Bell.

State Department officials say that there is concern within intelligence circles that recent actions by the Justice Department have violated the "unwritten rules" by which the superpowers traditionally have played the spying game.

"Power Grab"

In addition, the State Department officials charge that the FBI, which is under Mr. Bell's control, has been trying, with the help of sympathizers in Congress, to pull off what a State Department source calls a "power grab." Its aim, the State Department officials say, is to take the dominant role in deciding whether foreign nationals suspected of espionage activity should be denied U.S. entry visas.

Officials at the Justice Department and within the FBI deny that there has been a shift in policy. But they concede that their responsibility for safeguarding national security and enforcing the law frequently runs counter to what one called "the convenience of the State Department."

Within diplomatic and intelligence circles, this gap is regarded as one of the underlying causes of the increase in tensions between the U.S. administration and the Kremlin.

Its effects were made vividly clear by events that began in June, when the FBI arrested two Soviet citizens employed by the United Nations, and charged them with trying to buy secret U.S. naval war-fare documents.

The decision to prosecute the two on espionage charges was preceded by a lively debate within the administration that pitted the State Department and the CIA against the FBI. The debate ultimately was resolved by President Carter.

Quiet Expulsion Urged
The State Department, backed by the CIA, argued that the two Russians should have been quietly expelled rather than arrested and prosecuted. Department sources said that Mr. Carter was warned that the Kremlin would interpret the prosecutions as a breach of the "unwritten rules" that the two countries normally apply to each other's apprehended agents and would invite a dramatic Soviet retaliation.

"As recently as two years ago, when [then-Secretary of State] Henry Kissinger was calling the shots on foreign policy, that would have been the paramount consideration," a State Department official said. "It would have been handled quietly in a way designed not to disturb the larger framework of our relations with the Soviet Union."

However, in making a decision, Mr. Carter sided with Mr. Bell, who reportedly went to the president to argue that the case involved a clear violation of law that could not be overlooked.

Mr. Bell also was known to have argued that the "rules" did not apply since the two Russians did not have diplomatic status, which would have given them immunity.

The retaliation occurred last month, when Soviet police dragged a U.S. businessman, Francis Crawford, from his car on a street in Moscow and charged him with currency violations.

Mr. Crawford's arrest forced Washington into a frenzy of high-level negotiation with the Kremlin that finally resulted in the temporary release of Mr. Crawford and the two Russians to the custody of their ambassadors.

"What was accomplished by arresting the Russians?" the State Department official asked. "All it did was trigger an incident that unnecessarily tied up much of the U.S. government, including the president and the secretary of state, in a wasteful and enervating effort to try and undo the damage."

"In addition," he noted, "the American business community in Moscow has been paralyzed with fear and uncertainty that could seriously set back the development of U.S.-Soviet trade. Suspensions and animosities have been heightened on both sides, and, in an atmosphere like that, the chances for reaching accommodations on matters affecting world peace aren't enhanced."

To illustrate his case, he noted that the Sept. 12 trial date set for the two Russians, who will appear in federal court in New Jersey, is only a week before Secretary of State Cyrus Vance and Soviet Foreign Minister Andrei Gromyko will be meeting across the Hudson River in New York to continue their search for a strategic arms limitation agreement.

"The fallout from the trial will be swirling all around them," the official predicted. "How can you make progress in a situation like that?"

No Second Thoughts

Some State Department and CIA officials expressed hope that the incident might have been a "learning experience" that would cause Mr. Carter and Mr. Bell to take a "less simplistic view" toward espionage cases in the future. However, the Justice Department has given no outward sign of any second thoughts on the matter.

Instead, a Justice Department of-

ficial said: "We never thought there was much room for argument on this one. In this administration, when someone is caught in a serious violation of law, he's going to be prosecuted — no matter who he is or where he comes from. That's how Bell feels, and he believes the president feels the same way."

The cleavage between the two departments is also likely to affect efforts to resolve another aspect of the controversy — that which involves U.S. visa policy.

The State Department has been accused of permitting too many spies from the Soviet Union and its allies to infiltrate the United States. These charges have triggered a number of moves by conservatives in Congress to restrict and inhibit the State Department's visa-granting powers by giving more weight to the FBI's contention that potential security risks should be kept out.

The House has passed legislation that would empower the House and Senate committees on intelligence

to keep a list supplied by the attorney general that would contain the names of all aliens admitted to the country over the objections of the FBI. Legislation for a similar but less detailed list also has been adopted by the Senate.

Last month, the Senate adopted an amendment to the military assistance bill that would have repealed earlier legislation relaxing restrictions on visas. But the Baker amendment was dropped by a House-Senate conference committee.

Then, on July 28, the Senate Appropriations Committee, in a report to the full Senate, included language that a Justice Department official described as "a kick in the groin for the State Department."

In its section on funds for the Immigration and Naturalization Service, under Justice Department control, the committee said that it had "determined that far too many Soviet bloc intelligence personnel have been admitted into the United States."

"Therefore," the report continued, "the committee directs that the Immigration and Naturalization Service under the guidance, control and supervision of the attorney general deny entry and enforce expulsion of hostile intelligence service personnel, irrespective of visas issued by, or policies of, the Department of State."

FBI Advice Required

In cases in which a visa is issued to someone who might be considered a security risk, the State Department is supposed to seek the opinion of the FBI. If the State Department and the FBI are unable to agree, the matter is referred to INS for a decision. During recent years, the State Department has prevailed in most of the disputed cases.

For that reason, some State Department officials say that they believe the FBI has lobbied behind the scenes to orchestrate the congressional attempts to rein in the visa-granting powers of the State Department.

"The FBI has lost hundreds of disputed cases, and they say we never listen to their recommendations on keeping someone out," a State Department official said. "Now we have pretty good indications that they've been working on friendly congressmen to get the rules changed to give them the upper hand. The problem is that the bureau wants to keep out everyone who ever walked down a street where there was a Communist in the vicinity. More than 90 percent of the objections they make are based on the flimsiest evidence on memberships or associations that were ended years ago or on unprovable second- or third-hand allegations made by unreliable sources."

"To follow such a policy would be totally counterproductive to our foreign policy goals. It invites retaliation against Americans traveling to Communist countries, and it gives the Soviet propaganda to counter our human rights policy." Lawyers from the State and Justice Departments have been trying to search out a common ground that will permit a more harmonious resolution of the visa dispute. But the effort is still in an early stage.

As one of the participants said: "We've agreed that we have to reach an agreement. But there's still a very big gulf to be bridged and, at this point, it's hard to say if we can find a *modus vivendi* acceptable to both sides."

Reserves to Be Developed

Chinese Offering Oil for U.S. Market

By J.P. Smith

WASHINGTON, Aug. 30 (WP) — China for the first time has begun to offer its oil for sale on the U.S. market, in another of several recent indications that it has decided to develop its unmeasured oil reserves.

The Chinese recently approached Gulf Oil Corp. through an intermediary, offering crude for

sale, according to sources in the industry.

Gulf said today that it was not negotiating for Chinese imports. Reuters reported, "Gulf does not feel that economically it is possible to import Chinese crude, given the present cost of this crude oil." Gulf spokesman Tom Walker said in response to an inquiry, "In addition, in the last few weeks the Chinese traded oil to a U.S. auto company,

presumably in payment for some vehicles. The auto company since has offered the oil to refiners, according to the authoritative Petroleum Intelligence Weekly.

U.S. and British oil companies have held talks with the Chinese government regarding more-conventional sales of oil to the West, according to the National Council for U.S.-China Trade.

U.S. Investment Asked

Speculation about deals bringing oil from China to U.S. refiners, and ultimately to the U.S. gas pump, began spreading through oil-industry circles soon after Peking made public a decision to invite major U.S. oil companies to invest in developing China's untapped oil reserves.

Asked about the prospects of China becoming a significant supplier for the U.S. market, an international oil specialist at the Department of Energy said, "The amounts are so small, they could be a swallow."

U.S. imports now average more than 8 million barrels a day, accounting for half daily consumption. China's oil exports, according to Central Intelligence Agency estimates, will run nearly 300,000 barrels of oil a day between now and 1982, rising to half a million barrels a day by 1985.

Vice President Stanley Young of the National Council for U.S.-China Trade says that the Chinese are looking to oil as a major source of financing for their development. But he warns, "It is better to be conservative rather than getting highly enthusiastic at this stage."

Estimates Diverge

International experts are split on China's potential. Estimates start at something comparable to Alaska's North Slope, and range up to a 70-billion-barrel projection, or nearly twice the proven and probable U.S. reserves.

A former Exxon executive observes that four major U.S. oil companies who are negotiating with the Chinese to explore for oil — Phillips, Exxon, Pennzoil and Union Oil — would not go "unless there were prospects."

Total U.S.-China trade, which amounted to only about \$375 million last year, is expected to rise to more than \$700 million this year. Oil rigs and other drilling technology suited for developing China's untapped offshore fields have accounted for an increasing share of U.S. sales to the Peking government.

So far more than 95 percent of China's drilling activity has taken place onshore, much of it in the famous Tachung fields. An obstacle posed to the entry of Chinese into the U.S. oil market, especially on the West Coast, is that they have been depressed, at least temporarily, by the world oil glut.

Wax Content

China's exported oil is high in wax content and heavier than more desirable oil from the Middle East, making it less economic to refine. Much of China's oil exports are obligated under agreements that Peking signed with Japan this spring.

Undeterred, the Chinese have pressed on to develop their oil resources. In May, Communist Party Chairman Hua Kuo-feng committed the government to developing the equivalent of 10 more oil fields the size of Tachung, China's largest.

Last January a high-ranking delegation of 16 oil and gas experts toured U.S. installations. Energy Secretary James Schlesinger is expected to visit China in October to discuss its oil development plans and its energy research and development.

U.S. House Unit to Probe Bell Handling of FBI Case

By Charles R. Babcock

WASHINGTON, Aug. 30 (WP) — A House subcommittee plans to investigate long-dormant charges that Attorney General Griffin Bell undermined his own Justice Department probe of illegal break-ins by FBI agents.

The announcement of the new inquiry, which probably will not be held until next year, is a report to be released next Tuesday by a government operations subcommittee headed by Rep. Richardson Preyer, D-N.C.

The charges by members of the original Justice Department task force in the FBI case created a one-day sensation at a Senate hearing in April. But until now no one has expressed interest in following up what the House report says are "serious questions about the department's handling of the case."

Avoid Prejudice

Rep. Preyer could not be reached for comment. But a subcommittee aide said that members decided to hold up a public inquiry to avoid prejudicing cases against the three former top FBI officials indicted in the case in April. However, gathering documents and interviewing principals may begin soon, he added.

The dispute between Mr. Bell and attorneys on the initial task force centered on the attorney general's refusal to follow recommendations that eight FBI officials be indicted. Four of the five Justice lawyers involved quit the case last December as a result.

"It is vital that any lessons to be learned from [the FBI case] handling not be lost for failure to look back at what happened in the investigative and decision-making process and document why it happened," the subcommittee report said.

The report also touches on the FBI break-ins case in making recommendations about the Justice Department's "internal investigation policies." These policies have been controversial ever since allegations of foot-dragging by depart-

ment officials in the Watergate scandal.

The subcommittee report also recommends that an outside group, rather than the department's Office of Professional Responsibility (OPR), investigate allegations against the attorney general.

U.S. Will Allow Spy Suspects to See Document

NEWARK, New Jersey, Aug. 30 (AP) — Two Russians accused of espionage will be allowed to review a secret document allegedly seized at the time of their arrest, despite the prosecutors' objection that the anti-submarine information is classified, a federal judge ruled yesterday.

U.S. District Court Judge Frederick Lacey reversed his own earlier decision banning a review by the Russians, deciding yesterday that they could see the 150-page document if their attorneys exercised every precaution to keep the material secret.

Valdik Enger, 39, and Rudolf Kharyayev, 43, Soviet citizens employed at the United Nations, were arrested May 20 in Woodbridge, N.J., and indicted on charges of possessing top-secret U.S. military documents.

The judge also broadened a protective order on the document to permit attorneys to receive copies and to allow a defense expert to study the material.

Judge Lacey banned the defendants from taking notes or photographs of the document, which was contained on film and stashed in an orange juice container that allegedly was seized from a Soviet diplomat at the time of their arrest. The diplomat, Vladimir Zinyakin, has immunity from prosecution and has left the United States.

The report also touches on the FBI break-ins case in making recommendations about the Justice Department's "internal investigation policies." These policies have been controversial ever since allegations of foot-dragging by depart-

Commerce Department approval of the welding-machine license, following consultations with other departments was reported by The Washington Post Aug. 10 — the first that some high officials, including Mr. Schlesinger and Mr. Brzezinski, had heard about it. Some sources said there is a dispute within the government over whether Mr. Carter knew at the time that the energy secretary was opposed to the sale.

At a White House meeting Aug. 18, Mr. Schlesinger and Mr. Brzezinski reportedly pressed for an independent review of the disputed licenses. Mr. Brown, Mr. Vance and Mrs. Kreps did not object, and the review was begun by the Defense Department's Defense Science Board.

The study, by a panel headed by Fred Bucy, president of Texas Instruments, reported Friday that there were valid grounds for concerns about possible military uses of the technology being sold to the Soviet Union, as well as doubt about the advisability of helping the country develop its vast energy reserves.

The Dresser firm yesterday charged that Mr. Bucy, whose firm is involved in high-technology electronic items, "is known to have a strong bias against the transfer of technology to the Soviet Union or any other nation."

Zbigniew Brzezinski
...against the sale.

Special high-level scrutiny for exports of oil technology to the Soviet Union was ordered by Mr. Carter in mid-July, after the Soviet political trials of dissidents Anatoli Sobcharenko and Alexander Ginzburg. A \$1-million electronic beam welding machine, an important part of the Dresser deal, was swept up in this order and subjected to special review.

Carter Advisers Divided on Large Soviet Purchase

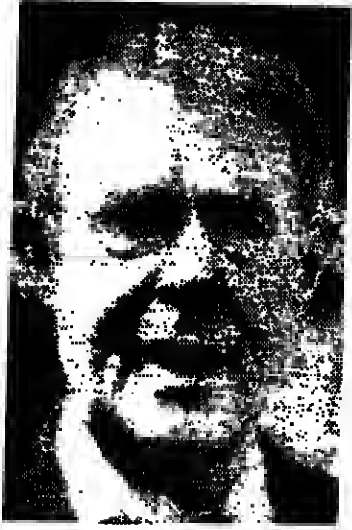
By Don Oberdorfer

WASHINGTON, Aug. 30 (WP) — President Carter's senior advisers, sharply divided along departmental and philosophical lines, have recommended, 3 to 2, that he stop the sale to the Soviet Union of sophisticated oil-drilling equipment that was approved by the administration three weeks ago.

Informed official sources said this was the result of an unannounced White House meeting Monday involving Zbigniew Brzezinski, the presidential national security affairs adviser, and senior officials of the State, Commerce, Defense and Energy departments to discuss the \$144-million sale by Dresser Industries of Dallas.

There is no indication of the views or the likely decision of Mr. Carter, who returned to Washington today after a vacation in the West. The disputed case is likely to cause embarrassment and political and bureaucratic sniping, whether he reverses the previous administration decision or lets it stand under heavy fire.

Energy Secretary James Schlesinger Jr., who strongly opposed the sale to the Soviet Union and sent a protest memorandum to the White House shortly after its approval was reported Aug. 10, is believed to be a moving force behind reconsideration of the government licenses involved.



Cyrus Vance
...for the sale.

A second doubter has been Mr. Brzezinski, who reportedly was extremely unhappy that the licenses were approved during political tension with the Soviet Union. Another element has been strong and continuing opposition to the sale from Sen. Henry Jackson, D-Wash., whose Governmental Affairs subcommittee has begun an investigation into the case.

A changed position by the Defense Department, which had cleared the sale but now has developed strong doubts, is an important new consideration, according to administration officials. Charles Duncan Jr., a deputy defense secretary representing the Pentagon in the absence of vacationing Secretary Harold Brown, reportedly joined Mr. Schlesinger and Mr. Brzezinski Monday in recommending that the Dresser sale be suspended immediately pending a review of government policy on the supply of sophisticated energy technology to the Soviet Union.

Warren Christopher, a deputy secretary of state, in the absence of vacationing Secretary Cyrus Vance, is reported to have opposed stopping the sale while a study of broader policy proceeds. Sources said that he was joined by Commerce Secretary Juanita Kreps.

Adding urgency to the opponents' view at the White House meeting were reports that Soviet technicians are at the Dresser plant near Dallas to learn how to use the complex equipment.

The Dresser transaction, one of the largest U.S.-Soviet deals in recent years, would supply the Soviet Union with technology and equipment to build its own plant to manufacture oil-field drilling bits. Most of the licenses involved were approved by the Carter administration May 30.



Zbigniew Brzezinski
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CALLING A HALT — President Carter reins in Big Red during a horseback ride yesterday near Jenny Lake, Wyo. The president and the Carter family were to leave for Washington today.

News Analysis

Peking, Hanoi Catch U.S. Unprepared

By Don Oberdorfer

WASHINGTON, Aug. 30 (WP) — In a startling reversal of past attitudes, the United States is being wooed with growing boldness by Asia's two major Communist powers, China and Vietnam.

The Carter administration is responding with flirtatious fervor to China, while keeping Vietnam at arm's length.

The maneuvers of Peking and Hanoi arise more from their own array of domestic imperatives and international power struggles than from anything that Washington has said or done. In both situations, the changed attitude toward the United States is only part of a broader drive for improved economic and political relations with most of the world and for advantage over their Communist rivals.

The unexpected developments have created policy dilemmas and new opportunities for the Carter administration. In contrast to their early tendency to push ahead simultaneously on all diplomatic fronts, high officials now speak openly of the complex relationships involved in U.S. policies toward China and Vietnam.

Diplomatic Triangle

For domestic and foreign policy reasons, the administration seems to have decided that the normalization of relations with Hanoi should await decision-making on relations with Peking. The timing of establishing ties with China, in turn, is closely connected with the state of U.S.-Soviet relations and the domestic debate over ratification of a new Strategic Arms Limitation Treaty.

"In some ways it looks as though we're better off than if we had won the war," a U.S. diplomat remarked. No one would have believed in April 1975, when Saigon fell, that the U.S. diplomatic problem slightly more than three years later would be to modulate the pace of improved ties with Peking and Hanoi to keep from upsetting non-Communist Asia, anti-Communist elements in the domestic body politic and the two hostile neighbor states themselves.

Normalization of diplomatic relations with China was one of the 10 major foreign-policy objectives established by President Carter and his senior advisers at the outset of the administration. Mr. Carter's terms, as set forth in an off-the-record talk to members of the Tri-lateral Commission at the White House two months ago, are reported to be the continuation of U.S. trade with Taiwan, including a military supplies, and an indication from Peking that force will not be used against the island.

Positive Omen

China's decision to compromise on the wording of a Chinese-Japanese peace-and-friendship treaty, recently concluded after several years of fruitless argument, is read here as a harbinger of reasonableness on the Taiwan issue. The Sino-Japanese agreement was encouraged by the United States. It was finally negotiated after Zbigniew Brzezinski, Mr. Carter's adviser for national security, tipped Japanese leaders in Tokyo on his way home from Peking in late May that China was ready to make a deal.

Peking's participation for the first time last week at an international scientific conference that was also attended by Taiwan's delegates may be another straw in the wind. The same could be said of some — but not all — of the comments of Chinese diplomats and unofficial visitors to Washington in recent days.

It has been widely rumored, but not confirmed by the White House, that Mr. Carter will make a major effort early next year to establish all diplomatic ties with Peking and downgrade the Taiwan relationship. But even if the Chinese are accommodating — which is yet uncertain — Mr. Carter will have to proceed with care.

A State Department study of Dec. 30 pointed out that while "a clear-cut majority" of the U.S. public favored the establishment of

diplomatic relations with Peking, an even larger majority opposed ending such ties with Taiwan.

On policy toward the Communist powers, there are said to be essentially "two tracks" within the top rank of the U.S. government. According to a high official, Secretary of State Cyrus Vance is carrying out relations with the Soviet Union and Mr. Brzezinski is increasingly active in dealing with China. A senior White House source, while calling this an "oversimplification," did not deny the essence of the account.

In an arrangement sealed during Mr. Brzezinski's trip to Peking, technical, cultural and even governmental exchanges between the United States and China have blossomed despite the absence of an overt move toward the establishment of diplomatic ties. This dramatic improvement in relations followed several years of near stagnation, and paralleled China's equally dramatic improvement in relations with Japan, Southeast Asia, Europe and Africa.

U.S. Governors To Press for Bill on Energy

BOSTON, Aug. 30 (WP) — Worried that Congress may not pass an energy bill this year, the National Governors' Association decided yesterday to dispatch a delegation to Washington tomorrow for "an urgent conference" with President Carter and congressional leaders.

The delegation of about 15 governors will be led by Julian Carroll of Kentucky, the association's new chairman, who said, "It could be catastrophic for the nation if Congress fails to pass legislation that increases energy production. If that happens, the nation could face substantial unemployment, extended inflation and continued devaluation of the dollar."

The governors, ending their 70th annual convention here yesterday, passed a resolution saying that they were "greatly concerned about the serious implications for the nation if Congress fails to reach consensus before the end of this session."

Senate and House conferees have agreed on a bill that includes phased deregulation of new natural gas, and the measure is expected to come to a vote after Congress returns from its Labor Day recess.

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The Lesson of Rome

We do not have an "opinion" about the election of Pope John Paul I. Even experienced leaders of the Roman Catholic Church do not know him well. The new pontiff seems to be a man of calm as well as erudition. His first pronouncements promise more cautious reform, in the spirit of Paul VI, and greater human warmth, in the spirit of John XXIII. The Cardinal of Venice was the quick and easy choice of his fellow cardinals, apparently because they recognized in him the two great yearnings of their venerable church: to balance the protection of doctrine against the pressures for reform and to reconcile the teachings of austere discipline with the fact of human deprivation the world over. It will be many years before anyone can judge the new pope's diplomacy toward other religions, his recognition of the need to find a new place for women in all societies, and his views on contraception and abortion and their place in human evolution.

In a strictly political sort of way, however, we have been impressed again by the hierarchical and institutional strength of the Roman Church. It is, after all, only a huge and loose confederation of human organizations that, in Stalin's contemptuous phrase, cannot find a single division of troops. It is held together by an ideology, a body of conservative and conserving doctrine, but dispute about the meaning of that ideology is itself one of the central concerns of the church. It is held together by history and by ceremony, yet even the faithful have periodically found much to complain about in both. In the end, the church exists because its members want it to exist, because the weakest and poorest of them find it responsive to their needs and therefore enriching.

And the College of Cardinals plainly re-

sponded again to the conflicting emotions of the faithful. It again chose an Italian, but a pastoral leader from the field instead of a bureaucrat from the Vatican. It chose a less austere figure than the last Pope to give heart to the churchmen who have wanted more urgently to address the problems of poverty and human rights. Yet it chose a doctrinally conservative leader who will not easily yield the inherited teachings to the clamor of the moment. Above all, it chose quickly and when the deed was done, the losing candidates and the disappointed joined all the rest in celebration of an act of renewal.

The church, plainly, combines the features of a democracy with those of an autocracy. And it can teach them both. People of the democratic faith could observe an institution rediscovering itself without public opinion polls and referendums. Supporters of the autocratic faiths could observe an institution deciding the succession without visible strain or resort to force.

To witness the spectacle of Rome is to be reminded that institutions can be only as strong as the faith of their members and that hierarchies of men can be jointly responsive only if they bind themselves in a common endeavor. A hierarchy of leaders that will not accept elementary institutional disciplines may appear to be free, but it cannot in the end be held accountable to anything. An institution that merely registers the temporal appetites of its members may appear to be responsible, but it cannot in the end serve enduring values. A church cannot and must not be our model for political organization. But it can serve us, as so often before, as an inspiration.

THE NEW YORK TIMES.

A Golden Fleece for Proxmire

After years of presenting "Golden Fleece" awards to others for alleged ridiculous waste of taxpayers' funds, Sen. William Proxmire of Wisconsin has now qualified for one himself.

He has discovered a proposed \$5.7-million appropriation for continued analysis of the lunar soil and rocks brought back by the Apollo astronauts. The United States has spent \$30 billion on Apollo, he declares, and that's enough. As far as he is concerned, the people who want to study the moon rocks should "just use their own money." The senator's argument induced the Senate Appropriations Committee to delete the funds from the National Aeronautics and Space Administration budget.

The material already studied has provided considerable knowledge. Scientists have been able, for example, to study lunar material created at the very beginning of the solar system. They have found that the intense and unprecedented meteoric bombardment of the earth and moon almost 4 billion years ago consisted of eight types of celestial objects, only one of which resembles meteorites. The research is enhancing our understanding of the origin of the solar system and its first billion years, all traces of which long ago disappeared from earth.

The real waste, in short, is not the minuscule \$5.7 million needed to continue this research. It is the scientific dividend of the \$30 billion spent on the Apollo project that would be lost. The research money is included in the House bill and a House-Senate conference committee will take it up any day now.

But if there was a rational point to spending the billions to send astronauts to the moon, it was precisely to furnish scientists with material to help them better understand the universe. Sen. Proxmire's pinched economizing would stop that effort long before the needed analysis has been completed; most of the lunar rocks returned to earth have yet to be examined.

By restoring the funds that the Senate committee has deleted, the conferees can avoid being penny wise and moon foolish.

THE NEW YORK TIMES.

The Gold Bug

You'd think it would be easy to raise three loud cheers for U.S. District Judge William Mehrrens, who ruled last week that the State of Florida must return to Mel Fisher \$2.3 million. The \$2.3 million was what the state had claimed as its share of a treasure in gold and silver that Mr. Fisher had dredged up from the Spanish galleon *Neustra Senora de Atocha*, sunk on its way to Spain in 1623. Mr. Fisher had originally made a deal to give the State of Florida 25 percent of his find. But in an unrelated case, the Supreme Court ruled that the *Atocha's* waters (beyond the 3-mile limit) were not subject to the state's jurisdiction; so Florida had no case. Yet the state continued to claim — in a fine bit of mad logic — that it still had a deal. Mr. Fisher sued and won.

There is, of course, another side to these coins. Both the State of Florida and the U.S. government (which also made a claim on Mr. Fisher, and lost) were acting in the interests of their Antiquities Acts, under which historical artifacts, such as those retrieved from the *Atocha*, are preserved and displayed before the public. Evidently the *Atocha's* treasure is something to see: a gold and coral rosary, pitchers, cannons, chalices, swords and daggers, muskets, an astrolabe — to say

nothing of 7,000 handstruck coins, equally valuable and beautiful. Mr. Fisher may preserve and display his find, or he may sell it off to pay his stockholders. In terms of public benefit, the hoard might better have been handled by the state and Fed.

And yet in terms of good old American pluck and zeal there can be no question that Mr. Fisher deserves his find. He has earned it, certainly. Eleven years of searching; three vessels sunk; more than \$2.5 million spent; and the greatest costs of all, the loss of a son and daughter-in-law, who were drowned in the quest. Clearly Mr. Fisher is obsessed — less, probably, by avarice than by some propelling adventurous urge he can't explain. In that way he is like the country before it developed the governments that sought to grab his treasure for the common good.

So here's one cheer for Judge Mehrrens and private enterprise: one for the state and nation; and one for Mr. Fisher, who will now continue his hunt. Down in the *Atocha* still, he says, are 896 silver bars, 78 chests of coins and millions in gold bullion — the stuff by which Spain once proved its supreme power in the world.

THE WASHINGTON POST.

In the International Edition

Seventy-Five Years Ago
August 31, 1903

WASHINGTON — President Theodore Roosevelt has declared that the attempted assassination of the U.S. consul to Beyrouth rates as an "incident," and that he will stand behind the decision to send units of the U.S. Mediterranean Fleet to Beyrouth to safeguard American personnel, interests and property. Meanwhile, the Turkish envoy to the United States, Mr. Chebib Bey, is hastening to Washington to confer with Secretary of State Hay over the incident.

Fifty Years Ago
August 31, 1928

WASHINGTON — A new device recently tested in the Potomac may save hundreds of lives which would otherwise be lost in submarine accidents. The device was perfected at Washington Navy Yard by a team headed by Lt. C. B. Mommson, and was tested in the Potomac at depths of up to 50 feet. It consists simply of an air supply with attached breathing mask to enable a sunken submarine's crew to reach the surface alive. Deeper water tests will shortly be conducted off Dahlgren, Va.



Observations on Cambodia

By William F. Buckley Jr.

NEW YORK — The electrical charge of last week came from Sen. George McGovern. He wanted to know, he said at a meeting of the Senate Foreign Relations Committee, whether anyone had given any thought to organizing a military unit to go into Cambodia and topple those "murderers" engaged there in the most massive venture in population control in the history of the world. If Andrew Young had proposed an expeditionary force to South Africa to help administer apartheid there would not have been a greater commotion in the chamber, concerning all of which a few observations:

• The witness being heard by the committee is a scholar of great ability who has worked for the United States Information Agency for many years, making southern Asia his beat. Douglas Pike, throughout the Vietnam War, was a quiet hawk, both because he believed that geopolitical reality justified resisting aggression from North Vietnam, and because he believed that the criticisms of the Thieu government were unrealistic. But on this occasion he replied to Sen. McGovern that it would be useless to attempt to take power by simply marching on Phnom Penh. He would need to control all the hamlets, he said, thus sounding, suddenly, like one of the old critics of U.S. endeavors in Vietnam who suggested that what we faced there was not a war of aggression from the north but a civil war. The plot thickens.

• A fortnight ago, on a television program shared with Leo Cherne, president of the International Rescue Committee, I asked the featured guest, Im Vin, whether he would welcome an expeditionary force from Vietnam with the mission of throwing out the Pol Pot government. Now Im Vin is no ordinary Cambodian (though that isn't entirely correct: There is a sense in which he is an ordinary Cambodian, because most Cambodians have suffered as much as he has, though he is unusual in that he has survived, escaping the country after 60 grueling days of flight).

• No, he smiled, looking like a cherub, "that would not do at all." Under no circumstances would he want his country to be overrun by the Vietnamese. Understanding this to spring from ideological and historical hostility to the Vietnamese, I asked confidently whether he would be glad to see a liberating army from Thailand come in, if only for the purpose of disposing of Pol Pot. "No," he smiled once again. "No. No. Thais. I was talking to a man who had seen nine members of his immediate family killed; who left at the pleading of his wife even as she and their two little children were being carted off to execution. It is as if an escapee from Auschwitz, had said he would not welcome French feet on German soil."

• There is great difficulty in understanding a nationalism that is carried to such lengths. It is utterly alien to the Western experience. And it reminds us of our failure to encourage the strength of that impulse in Eastern Europe and in the territories held together by Soviet arms. What Im Vin believes about the sanctity of Cambodian soil, the typical Ukrainian feels about his own. If we acknowledge, then, that the only force that could conceive of liberating Cambodia would have to be one of overwhelming military might, we can see that the likelihood of liberating Cambodia is slight. What, then, do we do?

• "There used to be," Leo Cherne ruminates, "a thing called the CIA. This is the kind of problem which covert operations of the CIA engage. It is difficult to understand the moral objections to a CIA moving within a country with the purpose of saving some three or four hundred thousand lives," which is the going yearly rate of consumption under Pol Pot. "But," such operations need to be undertaken covertly. The only thing George Kennan has said with which I entirely agree is that if some kinds of operations can't be done covertly, they can't be done at all; and should not be done. That leaves us with the Church committee in full flower, and dead Cambodians.

• Will anything happen in Cambodia? Well, yes. Probably the Vietnamese will press through to military victory. And, retroactively, this will cause George McGovern to be consistent after all. He has never been an opponent of North Vietnamese successes.

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Turning Idealism To Good Account

By Jonathan Power

LONDON — Of the half-dozen most important issues sitting on the new pope's desk will be the question of the church's attitude to communism. Not just the question of dealings with the communist states of Eastern Europe, but the fascination for Marxism among Christian activists in Latin America and, perhaps most interesting and important of all, the debate on the Vatican's own doorstep — whether there should be a "historical compromise" (i.e., a coalition) between the Italian Communist Party (PCI) and the governing Christian Democrats.

The church's dialectic with communism is a long and involved one. Two years before Marx and Engels published the Communist Manifesto in 1848, Pius IX in his encyclical "Qui Pluribus" condemned "the execrable doctrine called communism." In 1949 Pius XII threatened to excommunicate believers who were tempted to profess communism.

Under Pope John XXIII in the 1960s, the rhetoric dramatically changed. In his encyclical "Pacem in Terris," Pope John made a distinction between ideology and its application in concrete situations — "who can deny that these movements... contain positive elements worthy of approval?"

Less Doctrine

The world communist movement for its part has become over recent years less doctrinaire about Christianity. Through the 1960s and 1970s religious toleration slowly evolved in Eastern Europe. Fidel Castro, addressing a group of Chilean priests in 1971, said: "The strictly philosophical issues are not a fundamental problem in that when we speak of Marxism we are speaking of economics. It is therefore possible to be a Christian (in faith) and a Marxist in economics and politics... without entering into philosophical questions."

In Italy, as the Communist Party has emerged from its Soviet shadow and sought the respectability of an alliance with the Christian Democrats, the party's desire to mend its fences with the Vatican has become increasingly pronounced. Lucio Lombardo Radice, a senior member of the PCI's central committee, answering a challenge from a high Vatican official, wrote in *La Stampa* last year: "Article 5 of our constitution, which requires members to adhere to Marxist-Leninist principles, is like a dead branch. It is necessary to cut it off to avoid misunderstandings."

The Catholic Church and the Marxists, for all their differences, have much in common. As George Urban shows in his soon-to-be published book "Eurocommunism": "Today church and party are equally suspicious of all looseness of the fabric of society: of disintegrating counter cultures and the dissemination of new social mores."

The book is a series of interviews

with major figures in the Eurocommunist world conducted by arguably the English-speaking world's best interviewer. One of its gems is a conversation with the Jesuit Father Bartolomeo Sorge, who was a close adviser to Pope Paul on Marxist affairs. He mixes a preparedness to accept the virtues of Marxist inspiration with a deep conviction of the shallowness of its principles.

Expectations

"Christians must recognize," says Father Sorge, "that the hope of liberation which Marxism has stimulated is in itself good — that man's hunger for justice, brotherhood, humanity and hope are legitimate expectations."

But set against that, says Sorge, is the fact that Marxist-Leninism is not just a political system. When it reduces man's spiritual needs to his economic conditions and when it perceives in religion a mere naturalistic, which man in his poverty-induced myopia cannot as yet do without but will cast away as soon as his bodily needs are fully met, and when attitudes of this kind continue to pervade the climate of thinking as well as the daily policies of most communists, then we must recognize that we are faced with an ideology with which the church can have no cultural compromise.

For Sorge, communism is both a failed philosophy and a failed economic theory. Capitalism has not gone the way the Marxists prophesied it would. The proletariat has not been pauperized. Capitalism has not erupted into revolution. Moreover, Marxism has not really spoken to man's most human needs. What can Marxism say to a mother whose child is killed while crossing a road or to those too weak, disabled or infirm to be "producers?"

No Spokesman

Yet Sorge is no spokesman for capitalism. He quotes Pope Paul's letter to the managers of Catholic enterprises: "There must be something wrong for capitalism to produce so many injustices."

Sorge in fact is all that a Christian intellectual should be, searing in his analysis, sound in his commitment, and holding up a vision born of a faith that has triumphed more than once over man's false idols. "The demand Christianity makes," concludes Sorge, "with its breathtaking message, 'Love your enemies,' is as shockingly new and revolutionary as the Marxist-Leninist message of hatred and moral lethargy. It is all deeply reactionary. Christians should take no pride in the contrast between their faith and the false messianic ideas of Marxist-Leninism. Rather they should seek to understand with the humility they can muster why so much of the contemporary world's idealism has been given to Marxist-Leninism, and turn that idealism to good account."

Brzezinski's New Role

By Rowland Evans and Robert Novak

WASHINGTON — The new get-tough policy in Jimmy Carter's White House surfaced in a confidential Aug. 7 memorandum to Secretary of Defense Harold Brown demanding "complete and unequivocal support" by the Joint Chiefs of Staff for the treaty establishing a nuclear-free zone around Latin America.

The memorandum, signed by Zbigniew Brzezinski, was the first move in a clampdown to end what one Carter aide calls "guerrilla warfare" against the president's foreign and military policies — particularly from the Arms Control and Disarmament Agency (ACDA) and the Commerce Department.

Public opposition to the Latin treaty by the chiefs would have brought a Brzezinski recommendation for the president to request their resignations. This hard line with the military is viewed in the Oval Office as essential for Mr. Carter to lay down the law everywhere else. As one adviser said: "To get tough with ACDA, we have to apply the same rule in the Pentagon."

How Far He'll Go

The Aug. 7 memo to Brown shows how far the president means to go in exerting muscle on administration officials who sabotage his foreign-policy policies.

Linking the treaty directly to Mr. Carter's political welfare, the president's national security adviser admonished Brown that "unless DOD (Department of Defense) and JCS (Joint Chiefs of Staff) are aggressively supportive of ratification, the Senate may decide to put off consideration until next year. I don't have to tell you it would be a significant accomplishment of the president's nonproliferation and Latin American policy" if the treaty is ratified this year.

In fact the Joint Chiefs of Staff had privately assented to the treaty last December. Knowing this, and perhaps to avoid affronting them with a bare-knuckle political document, Brown did not show them the memorandum. But the directive remains on Brown's desk for possible use in the upcoming battle over a new strategic arms limitation treaty (SALT).

The memo to Brown was followed by a second Brzezinski directive — ordered by Mr. Carter — to all Cabinet members and their top officials. His warning: There will be complete compliance with the president's foreign policy in all public speeches, statements and testimony to Congress.

The clear implication: Shape up or ship out. "When Carter decides and someone can't go along," one presidential aide told us, "he expects that individual to change his mind or resign. He can take his views to the country as a private citizen."

The attempt to impose iron-fisted conformity is a natural culmination of Mr. Carter's steady retreat from an "open administration." Although it smacks of Richard Nixon's effort after his 1972 reelection to centralize control of the bureaucracy in his own office, the voluminous record of anti-Carter guerrilla war waged within the administration makes it inevitable.

The president's ire was aroused most recently by the way final approval — now secretly rescinded — was given by the Commerce Department to the sale of a drill-bit factory to the Soviet Union. That included an export license for the electronic-beam welder.

When word was leaked by Commerce that the deal had its final approval, Secretary of Energy

James Schlesinger complained that his department was still studying the strategic implications of the sale.

Without public announcement, Mr. Carter intervened and submitted strategic questions about the electronic-beam welder to the Defense Department's science advisory board for review. White House anger was intense. If Commerce tried to force this thing again or any other export of strategic material before we're ready, somebody is going to be fired," one Carter aide said privately.

Smoldering

Criticism of Paul Warnke's ACDA has been smoldering for months. It started in January when Warnke wrote a confidential letter — soon leaked — to Secretary of State Cyrus Vance opposing advanced fighter planes for Saudi Arabia and Israel. Although Warnke's letter said he could support the sale for "political" reasons, White House aides smelled a subterfuge of Mr. Carter's most important Middle East initiative at the time.

Today ACDA is losing one of the hottest battles in Washington: the comprehensive test-ban treaty. Mr. Carter is switching from his early support of Warnke's proposed five-year, zero-yield test ban to backing for a treaty giving the United States protection against Soviet cheating.

In the days before the introduction of the policy of conformity, Warnke's ACDA would have been plotting a battle of speeches, leaks and Capitol Hill plans to soften up the president. Today such a course might be suicidal.

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Research in U.S. Finds Cause Of Muscle-Tissue Breakdown

By Bayard Webster

NEW YORK, Aug. 30 (NYT) — Scientists at Rutgers University have isolated two enzymes that cause the rapid breakdown of muscle tissue in degenerative diseases such as muscular dystrophy. Their research is expected to provide a

focal point in the scientific quest for more effective treatment of these diseases.

The enzymes, proteinlike substances that initiate or speed up chemical reactions in the body, were isolated in the tiny cell particles called lysosomes, which are found in all human cells except

bacteria and red blood cells. Lysosomes contain enzymes that break down any known biological substance.

In normal cells, lysosomes act as a kind of recycling center. As parts of the cell wear out they are broken down by lysosomal enzymes into basic substances that can be used to make new cell parts. But in degenerative diseases such as muscular dystrophy it is thought that enzymes break down cell parts at a faster rate than normal, resulting in destruction of muscle tissue.

The research into the lysosome's role in degenerative disease has been led by Dr. John Bird, director of the New Jersey University's Bureau of Biological Research. Last year, with doctors from the University of Chicago and Cambridge University in England, he demonstrated for the first time that 2 of the lysosomal enzymes, of which there are more than 40, cause muscle degeneration like that seen in muscular dystrophy.

The enzymes and muscle proteins were purified and tested in test tubes, as well as in animals. By use of an electron microscope, the lysosomal enzymes were photographed in the process of digesting muscle tissue.

The findings are significant, Dr. Bird said, because they provide a focal point for future research. "For the first time we know which enzymes are degrading muscles," he said. The findings are applicable to any degenerative disease, he added, because the lysosome is the only source of enzymes that break down cell parts.

Scientists at Rutgers and elsewhere are investigating various chemical substances that inhibit the action of lysosomal enzymes. Rutgers researchers have discovered that cells contain a natural inhibitor to one of the enzymes and are trying to learn the chemical makeup of the inhibitor in the hope of synthesizing it.

Scientists elsewhere are exploring the possibility that enzymes escape from the lysosome when the cell is subject to certain stresses, and are seeking an agent to stabilize the outer wall of the lysosome.

The results of such research could provide more effective treatment, but not a cure, for muscular dystrophy, which is an hereditary disease that takes several forms, Dr. Bird said.

Dr. Bird's research at Rutgers was funded by the National Institutes of Health and the Muscular Dystrophy Association.

Korchnoi Wants One-Way Mirror In Chess Arena

MANILA, Aug. 30 (UPI) — Challenger Viktor Korchnoi said today that he would quit the world chess tournament unless a one-way mirror is installed in the playing hall in Baguio. He said that the mirror "is the cardinal solution" to neutralize the effects of a Russian psychopologist.

The mirror would separate the stage, where he and world champion Anatoly Karpov play, from the gallery, from where Mr. Korchnoi claims that Vladimir Zoukher is trying to hypnotize him into losing.

Mr. Korchnoi said that installation of the mirror was recommended by a Jesuit psychologist, the Rev. Jaime Bulatao, 55, who holds a doctorate in clinical psychology from Fordham University in New York.

If the jury does not change anything (in the playing hall), why should I go back to Baguio," said Mr. Korchnoi, who came to Manila Monday night and requested postponement of the 18th game scheduled for yesterday. The game was reset for tomorrow. Mr. Karpov, who holds a 4-to-1 lead and needs two victories to retain the world crown, will play white.

Balloonists Die In U.S. Accident

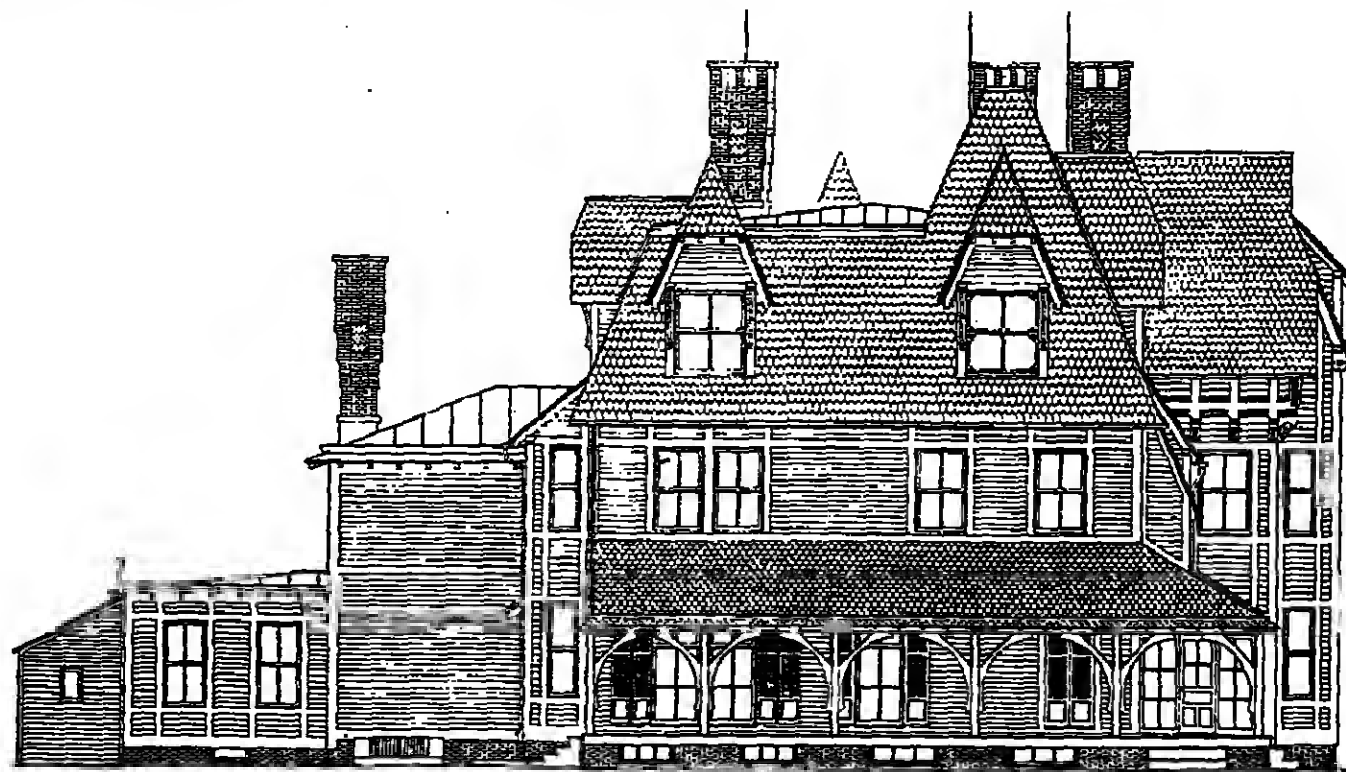
FISHERS, Ind., Aug. 30 (AP) — Two men and a woman were killed last night when their hot-air balloon struck power lines, state police said. The Federal Aviation Administration is investigating the accident.

The balloon burst into flame after hitting the lines east of this central Indiana town. A man and woman fell from the gondola and a second man was found with the gondola, which separated from the balloon and crashed.

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"STICK STYLE" — The Physick House, a 16-room "cottage" in Cape May, N.J., was designed by Frank Furness and completed in 1881. The structure, which was almost torn down in the 1960s, has been undergoing extensive restoration.

Physick House: Remnant of Victoriana in New Jersey

By Melissa Davis

CAPE MAY, N.J. (UPI) — In the mid-1800s Cape May was called "playground of the presidents." Presidents these days are more likely to play in the South, but the cape's remarkable collection of Victorian architecture remains.

Five presidents — Franklin Pierce, Chester Arthur, James Buchanan, Ulysses S. Grant and Benjamin Harrison — took to the waters of the internationally famous resort and gambled in the Mount Vernon, then the largest hotel in the world. Sen. Henry Clay and Rep. Abraham Lincoln were among those vacationing here, attracted not only by the local amenities but also by the visiting dignitaries.

In 1867 a fire destroyed the Mount Vernon and most of the town's summer "palaces," but residents quickly rebuilt. Not to be rivalled by the up-and-coming Atlantic City, Cape May's new summer homes were a hybrid combination of Gothic, Romanesque, Italianate and Second Empire. As a result, Cape May now has one of the largest concentrations of Victorian architecture in North America.

One of the gems of the town is the Physick House, now restored and open to the public. It was designed by Frank Furness, a Cape May resident and a major architect

of the Victorian period. He was hired in 1878 by Dr. Emile Physick, a prominent Philadelphia physician, to design a 16-room "cottage." The Emile Physick mansion, completed in 1881, represents the "stick style" of the 19th century — bold designs, steeply gabled roofs, tall proportions, irregular silhouettes, upsidedown chimneys and banded dormers — very different from the popular lacey gingerbread houses.

Partnership

Early in his career Furness studied under Richard Morris Hunt, the great Beaux Arts architect who designed the Biltmore mansion in Asheville, N.C. In 1867 he left Hunt to begin a partnership in Philadelphia with John Fraser and George W. Hewitt. When Hewitt died, the partnership went to Washington, D.C., and with it the Physick estate, was selected as a National Historic Landmark by the government's National Register of Historic Places.

Exterior Finished

The house now stands in the midst of restoration sponsored by the Mid-Atlantic Center for the Arts. With funds raised by the center and matched by the federal government, the center has been able to complete the exterior restoration of the overgrown cottage.

Unlike most of Cape May's

white gingerbread houses, the Physick House is faced with dark shadows. The exterior is painted in its original colors — dark green trim and cream-yellow wood siding.

As you step into the entrance hall, the tour guide will explain some of the restoration in progress. The ceiling and walls are papered with "incrusta," which was designed to look like etched leather. When the original incrusta was installed, it was applied to the ceiling and walls with a paste made of molasses. The molasses drew so many flies and bugs that the restorers decided against this recipe and used a chemical paste.

The dining room, now under restoration, and family parlor are decorated with Victorian clutter and lighted with brass and crystal grape-leaf-pattern chandeliers.

Wax and china dolls dressed in delicately tatted and embroidered gowns fill the children's nursery. The remaining rooms are arranged in museum style, displaying furniture, fixtures (some designed by Furness) and clothing of the Victorian period.

At a time when urban renewal seems to employ a slash-and-burn method of modernization, and small shore towns are prey to urban sprawl and condominium building, a band of concerned citizens has saved the architectural ancestry of Cape May.

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A New Look at Sun's Role

U.S. Scientists Studying Strange Magnetic Storm

By Malcolm W. Browne

NEW YORK, Aug. 30 (NYT) — A puzzling magnetic storm that has disrupted communications and produced spectacular night displays of aurora borealis over much of the United States in the last few days has forced astronomers to take a new look at how weather on the sun affects our planet.

Aurora borealis, dazzling pink and green "northern lights" flickering across the sky, reached an intensity over New England Sunday night described by some observers as the brightest in a decade.

Since then the U.S. Coast Guard, among other major radio users, has reported serious problems with high-frequency radio communications because of the magnetic disturbance.

The American Telephone and Telegraph Co. reports that its power transmission lines across the country have been affected by the storm, causing surges in the flow, surges are a cause of concern for power companies, because they have been known to blow out transformer stations and cause local blackouts.

Because of the danger caused by

N.Y. Pressmen

Reject an Offer

To End Strike

NEW YORK, Aug. 30 (NYT) — Publishers of New York's three daily newspapers yesterday

flashed concessions to end a three-day strike. The striking pressmen rejected the publishers' proposal to end the strike.

"We intend to make a counterproposal to the publishers as soon as we can put it together," said William Kennedy, president of Printing Pressmen's Local 2. The publishers' proposal, although rejected, did the promise of a union counteroffer were the first signs of movement in the negotiations since a walkout by the pressmen began in Aug. 9.

The publishers of The New York Times, the Post and the Daily News said that their new offer asked away from some of their earlier demands aimed at cutting power requirements and pay-all costs that would cost the pressmen jobs and pay.

In rejecting the new offer, Mr. Kennedy said that the proposal "isn't significant" and that 12 pressmen still would be brown into the street. But he did the offer-and-counteroffer movement is "the way negotiations could go."

Earlier, Rupert Murdoch, publisher of the Post who has emerged spokesman for the Publishers Association, said that he would be surprised if the unions rejected the offer.

en. Zia Arrives in Jidda

JIDDA, Saudi Arabia, Aug. 30 (P) — Gen. Mohammed Zia ul-

ah, Pakistan's military ruler, arrived in Jidda today to begin a pilgrimage to the Moslem shrines at Mecca. Riyadh radio reported. The general was met at Jidda airport by King Khalid.

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Dollar Eases Slightly In Very Thin Trade

LONDON, Aug. 30 (AP-DJ) — Despite a further boost in U.S. interest rates, the dollar slipped against most major currencies today in nervous foreign-exchange trading amid increasing worries about the U.S. rate of inflation.

Federal Reserve Board governor Henry Wallich warned that inflation threatens to accelerate next

year if further actions are not taken to halt its rise.

The dollar fell slightly after his statement, which came during the last hour of European trading, cancelling out much of the dollar's earlier gains on news of another boost in U.S. interest rates.

Currency dealers stressed that the market was very thin, due to late summer vacationing by many senior operators and typical end-of-month considerations. The thinness tended to exaggerate rate movements, with rapid swings and wide spreads between bid and asked quotations.

Use of SDRs Seen Rising In Banking

BRUSSELS, Aug. 30 (Reuters) — The dollar's steady decline this year has encouraged some larger investors to make deposits in special drawing rights, a unit of account used by the International Monetary Fund, and in the future, there should be growing interest in this form of investment, Kredietbank foreign-exchange manager Willy Kestens said today.

He said in an interview that Kredietbank had taken "a fair amount" of SDR deposits since instituting the service at the beginning of this year and that this represented quite a good response.

With the declining dollar, clients have seen the advantage of an appreciating SDR, which is based on a basket of 16 currencies, he noted.

The SDR benefits from being more widely known than the European unit of account (EUA) deposits, of which Kredietbank has also recently been taking. The EUA is based on a weighted basket of Common Market currencies and, like the SDR, is calculated daily.

SDR inquiries have come from large corporate clients, banks and government institutions, Mr. Kestens added. Currently Kredietbank banks is one of several European banks offering this service, takes SDR deposits of up to a year. Yesterday, it paid 6 1/2 percent for a year.

It accepts payment or repayment in one or all of the 16 currencies that make up the SDR's basket. Inquiries for EUA deposits, which are more limited, come chiefly from EEC institutions and banks and companies resident in Belgium, he added.

Some dealers cited a Wall Street Journal editorial as expressing the view of a strong camp in the foreign-exchange market. The newspaper said that the only way to support the dollar and to fight inflation is for the Federal Reserve to constrict the supply of money.

Against the Deutsche mark, the dollar dropped to 1.9898 DM from 1.9960 DM overnight. It lost 40 points against the Swiss franc at 1.6485 francs and was down 87 points against the French franc at 4.3550 francs.

The dollar shed 90 points against the yen at 189.10 yen, preliminary figures, released today, showed that Japan's trade performance continues strong this month. The nation posted a customs clearance-based trade surplus in the first 20 days of August of \$690,478 million, up sharply from a year-earlier surplus of \$160,618 million.

Sterling was little changed at \$1.9405 versus \$1.9425.

Gold at \$206.45 — Gold closed at \$206.45 an ounce, almost \$2 above the afternoon fix here of \$204.80.

Turnover was heavy throughout the day, dealers said.

FINANCIAL NEWS AND NOTES

FTC Studies Alleged Ludlum Sale

The Federal Trade Commission said it is investigating a proposal by Allegheny Ludlum Industries to sell the industrial gases division of its Chemetron Corp. unit to Liquid Air Corp. of North America. Meanwhile, in Chicago, a federal district judge accepted an agreement between Chemetron and Allegheny Ludlum, a subsidiary of Bayer of West Germany, that will delay the proposed sale of Chemetron's organic-pigments division to the Bayer unit. The delay will remain in effect pending a hearing on an FTC suit to block the transaction on antitrust grounds.

Financial General Lodges Complaint

Financial General Bankshares, fighting a takeover bid by Bert Lance and a group of Arab investors, asked a judge to hold the Bank of America in contempt for allegedly withholding key documents in the dispute. Bank of America owns 16 percent of the Bank of Credit and Commerce International, a London financial institution that supplied cash to the bank.

Arab investors. Mr. Lance, former budget director, is an investment adviser to the Arab group. The documents dealt with activities at the Bank of Credit and Commerce International which is said to have made large loans to several of the Arab investors and to Mr. Lance. Financial General expects a Dutch firm to make a tender offer for the \$2.2 billion Washington bank holding company, according to court papers. The documents identify the company as Credit and Commerce American Investment, N.Y.

Chrysler Sees Higher New-Car Sales

Chrysler expects its new-car sales to rise about 10 percent in the 1979 model year, beginning this autumn. In addition, the company predicted that sales of its redesigned full-sized cars, which it is showing along with its other 1979-model cars, would help boost Chrysler's sagging share of the U.S. market to 15 percent in the 1979 model year from about 13.5 percent in the current model year. The new line of full-sized cars, to be introduced Oct. 6, was expected to claim between 7 percent and 8 percent of the U.S. full-sized car market.

What Makes the Forex Mart Jump

U.S. Trade Figures a Guessing Game

By James C. Furlong

NEW YORK, Aug. 30 (AP-DJ) — Informal bank forecasts of the U.S. monthly trade statistics are at best sophisticated guesswork, and the data itself is subject to significant distortions and uncertainties, experts say.

Despite their limitations, both the estimates — and the figures — play a major role in the foreign-exchange trading. Dealers use the estimates in making out currency positions ahead of the formal announcements, and the announcements themselves typically set off waves of activity in which large sums of money are made and lost.

Guessing Game

This was the pattern yesterday, when the United States announced a \$2.99-billion trade deficit for July, widened from a \$1.6-billion gap in June. The dollar fell sharply following the announcement because New York bank economists mostly had been expecting a deficit of about \$2 billion, and some foreign observers had even forecast an improvement in the trade picture from June.

Lawrence Brainard, vice president and senior international economist of Bankers Trust, calls the process of monthly forecasting, engaged in by most New York banks and many banks overseas, a "guessing game," though he himself is a dedicated player. As to the figures themselves, he said, "you have to be skeptical of the numbers. They're like the (notoriously volatile) weekly money supply figures. They're not important over the long haul, but if everybody reacts to them, they are important."

The Commerce Department itself warns that monthly figures are not necessarily significant in themselves. Monthly figures, it notes, are subject to erratic variations stemming from strikes and differences in times of reporting certain foreign transactions.

The final figures are voluminous, including four different measures of the trade balance and numerous breakdowns of exports and imports by commodity and country. However, the foreign-exchange market tends to pay attention only to one figure — the seasonally adjusted monthly U.S. trade balance, with exports and imports both reported on the basis of "free alongside ship" (f.a.s.).

The foreign trade division of the Census Bureau, which compiles the figures, also has made a number of changes this year that have kept trade-figure watchers jumping trying to keep up.

The most significant change was one designed to reduce the time lag between actual imports and the statistical recording of the imports. Under a new import recording system instituted January, the date of importation rather than the so-called date of entry is used to determine the statistical month in which imports are posted.

The new system reduces but does not eliminate the amount of imports that enter the country in one month and get recorded in the next month's figures. Because documents may be filed with customs up to 15 working days after actual import, there is an average carry-over of about 15 percent from the actual month of importation to a later month. This is down from 40 percent under the old system.

Export figures involve a carry-over of only 2-to-3 percent.

The common approach to the forecasts appears to be: use what hard information there is — limited mainly to petroleum and agricultural — and infer trends in other areas.

Lawrence Brainard of Bankers Trust works with American Petroleum Institute figures to get a bearing on U.S. purchases of crude oil and petroleum products, but it is not simple to make these calculations. "Unfortunately, there's no one-to-one correspondence between the API and census numbers," he commented. Variations can arise because of such factors as delays in filing import documents and differences in API and Census definitions of petroleum imports.

The net effect of these factors is that census figures normally range from 3-5 to 10-15 percent higher than API numbers. The ratio of census figures to API numbers in the first five months of 1978, he said, was 1.087 to 1. In making the forecast for June, Bankers Trust economists noted that the ratio in May at 1.042 to 1 was somewhat below this five-month average. This observation led to the guess that the ratio would tend to rise somewhat in June. After working through complicated calculations based on these considerations, Bankers Trust came up with a forecast.

Company Reports

Revenue/Profit in Millions

Supermarkets General			
	1978	1977	
Revenue	498.20	427.50	
Profit	4.40	3.10	
Per share	0.52	0.36	

Britain

Boc Int'l

	1978	1977	
Revenue	917.00	499.10	
Profit	48.80	60.40	
Per share	0.056	0.087	

(Figures in Pounds Sterling)

Japan

Yamaha Motor

	1978	1977	
Revenue	332.450		
Profit	6.160		

No comparisons as company reporting consolidated results for first time. (Figures in Yen)

cast of imports totaling \$3,451 billion.

As the actual figure was \$3,496 billion, "the month-end pretty well for June," said Mr. Brainard.

And oil accounts for around a quarter of imports.

In another area, Mr. Brainard noted, food imports declined roughly by a seasonally adjusted \$100 million and an adjusted \$200 million in June. In such a case the job of the economist is to determine whether the decline is erratic or whether it may be the start of a trend. A call to a commodity broker is in order. A broker may be able to state, for example, that a major coffee-producing country is withholding the commodity temporarily.

On the export side, easily available figures on corn, wheat and soybean loadings are a valuable aid.

Various rumors may be evaluated by economists in preparing their forecasts. "Some people say the Japanese are withholding goods here because they fear some sort of U.S. retaliatory trade restrictions, but it's hard to find out if this is true," Mr. Brainard said.

Due to technical difficulties, the closing prices for the New York Stock Exchange and the American Stock Exchange were not available for this edition. The IHT regrets any inconvenience this may cause.

U.S. Steel Imports Increase 31% in July

WASHINGTON, Aug. 30 (AP-DJ) — Steel imports by the United States rose sharply in July after declining during the first two months of the government's program to restrain shipments of cheap foreign steel.

But while the industry leader, U.S. Steel Corp., grew increasingly critical of the government's so-called "trigger-price mechanism" after learning of the rise, most steelmakers reiterated their wait-and-see attitude.

Preliminary Commerce Department figures showed yesterday that net July imports jumped 31 percent to 1.78 million tons from 1.36 million in June. July imports were 13 percent higher than the year-earlier 1.58 million tons.

To U.S. Steel's chairman, Edgar Speer, July imports were "very discouraging" at first glance. He said "there was hope after the May and June dip in imports that the trigger-price mechanism was having some effect — but the July results indicate that just is not so."

Steelmakers did not give any hint yesterday that they would soon return to their recently shelved strategy of pursuing anti-dumping complaints with the Treasury. But Bethlehem Steel Corp.'s chairman, Lewis Foy, speaking as head of the American Iron and Steel Institute, a trade group, said he was "very disturbed" not only with the size of July imports but also with their implications for the future.

The Treasury will not immediately respond to July import levels with "any particular action" to change the trigger-price system, said Peter Ehrenhaft, deputy assistant secretary and special counsel for tariff affairs.

But he said he was "studying seriously" a number of options to deal with another developing problem posed by the soaring yen. Trigger prices are supposed to touch off a "fast-track" anti-dumping investigation by the Treasury when it finds foreign producers selling below them. The Treasury sees a problem in that these trigger prices are based on Japanese costs — supposed to be the lowest in the world — but recent gains in the yen have

and parts — the department said.

However, the department noted that when transportation equipment is excluded new orders still dropped by 1.6 percent.

However, worries U.S. inflation may prove tougher to control than had been hoped caused some weakness late in the session, analysts said.

The Dow Jones industrial average rose 0.52 points to 880.72. Volume rose to 37.75 million shares from yesterday's 33.78 million.

Analysts also said some buyers may have moved to the sidelines late in the session to await tomorrow's delayed report on leading economic indicators originally set for today.

Prices on the American Stock Exchange rose sharply in the heaviest trading in two and a half years. The index rose 2.13 points to 167.73, the second highest one-day rise since its inception in September 1973.

A number of major banks raised the interest rate for prime business loans to 9 1/2 percent from 9 percent.

Chase Manhattan, in New York, took the lead in raising the prime rate and was followed by First Pennsylvania Bank of Philadelphia, Chemical Bank of New York, Ohio National Bank of Columbus and First National, Mercantile Trust and Bank of St. Louis, all in St. Louis.

But there was no noticeable rush to the higher rate by banks across the country.

New orders received by the nation's factories in July plunged 3.8 percent for the steepest decline in 3 1/2 years, the Commerce Department said. Most of the decline was attributed to a 17.4-percent drop in orders for transportation equipment — mostly aircraft, missiles

and parts — the department said.

However, the department noted that when transportation equipment is excluded new orders still dropped by 1.6 percent.

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Rides Out Prime Rise

NYSE Prices Narrowly Higher

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Prices on the American Stock Exchange rose sharply in the heaviest trading in two and a half years. The index rose 2.13 points to 167.73, the second highest one-day rise since its inception in September 1973.

A number of major banks raised the interest rate for prime business loans to 9 1/2 percent from 9 percent.

Chase Manhattan, in New York, took the lead in raising the prime rate and was followed by First Pennsylvania Bank of Philadelphia, Chemical Bank of New York, Ohio National Bank of Columbus and First National, Mercantile Trust and Bank of St. Louis, all in St. Louis.

But there was no noticeable rush to the higher rate by banks across the country.

New orders received by the nation's factories in July plunged 3.8 percent for the steepest decline in 3 1/2 years, the Commerce Department said. Most of the decline was attributed to a 17.4-percent drop in orders for transportation equipment — mostly aircraft, missiles

and parts — the department said.

However, the department noted that when transportation equipment is excluded new orders still dropped by 1.6 percent.

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In Chicago, wheat and soybeans were substantially higher, corn higher and oats irregularly higher at the close today on the Board of Trade.

Fed Member Pessimistic On U.S. Rate of Inflation

From Wire Dispatches

CHICAGO, Aug. 30 — Henry Wallich, a member of the Federal Reserve Board, today warned that the United States may face a inflation rate of at least 8 percent through the end of 1979.

Mr. Wallich's projection was considerably above the Carter administration's official forecast of 7.2 percent for this year and 6.5 percent in 1979.

"Inflation has clearly accelerated from the 6-percent area into the 8-percent area," he said, "and threatens to accelerate further next year. Fiscal and monetary policy have not succeeded in decelerating it."

Mr. Wallich's comments to a meeting of the Allied Social Science Associations here was another indication that the administration's latest inflation forecasts, made July 1, are outdated.

To prevent further acceleration, which he said would come next year in the absence of fresh anti-inflation actions, Mr. Wallich has been advocating using the tax system to provide incentives for labor and management to contain wage and price increases.

He said such a system "could be viewed as a form of guideline but a guideline with teeth in it." He acknowledged that such a plan would be a departure from traditional policies and might be difficult to administer but said "We have run out of present options."

He noted however, that if such a policy were adopted, it would have to be supported by "adequately restraining fiscal and monetary policies."

"Its enactment would not be viewed as providing a carte blanche for expansionary policies," he said.

Some critics have charged that such tax plans would contain wage increases more effectively than price rises. Mr. Wallich said this could be prevented by increasing the corporate tax rate to keep after-tax corporate profits at a specified percentage of gross national product.

The Senate Banking Commission is attempting to draft legislation calling for a tax-based incomes policy program.

Belgian Prices Advance

BRUSSELS, Aug. 30 (AP-DJ) — Belgium's wholesale price index rose a slight 0.05% to 184 in June, the fourth consecutive rise, from 183.9 in May but was down 3 percent from 189.7 in June 1977, according to the economics ministry.

The index (1953 equals 100) had come down from a peak 190.6 in February 1977 to 182.1 in February this year.

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E. German Women Win 2 Gold Medals In Meet at Prague

PRAGUE, Aug. 30 (Reuters) — East Germany began its onslaught in the women's events at the European track and field championships here today with rapid-fire victories for 100-meters sprinter Marlies Gohr and shot-putter Ilona Slupianek.

Gohr, a 20-year-old psychology student, was everyone's favorite for the gold medal since she became the first woman to beat 11 seconds for the 100 meters last year.

She lived up to expectations despite a track made heavy by intermittent rain and finished a meter clear in 11.13 seconds to equal the championship record.

In men's competition, Pietro Mennea of Italy won the men's 100-meter gold medal ahead of the Soviet Union's Vladimir Yegorov. Mennea won in 10.26, well ahead of Ray, it was an evening of humiliation for defending champion Valery Borzov of the Soviet Union, who finished last, possibly the worst showing of his career.

Ronald Wieser of East Germany captured the 20-kilometer walk in 1:23:11.5. Piotr Pocanuk and Anatoli Solomin, both of the Soviet Union, placed second and third. Karl-Heinz Stadtmüller of East Germany originally was declared the victor but he was disqualified after the race. Officials gave no reason immediately.

Michael Wessing of West Germany won the men's javelin gold with a throw of 89.12 meters. Nikolai Grebnev of the Soviet Union and Wolfgang Effenberger of East Germany placed behind him.

Vilma Bardauskene, who last night set a world record of 7.09 meters in the women's long jump in a qualifying heat, captured the gold in the event tonight, with a jump of 6.88 meters. Angela Voigt of East Germany was second and Jarmila Nygryova of Czechoslovakia was third.

The silver in the 100 meters went to Linda Haglund of Sweden who clocked 11.29 seconds for an advantage of 200ths of a second over Ludmila Maslakova of the Soviet Union.

Slupianek's triumph followed her recent reinstatement after a one-year suspension for using a muscle-building anabolic steroid drug in the European Cup Finals in Helsinki.

The 21-year-old East Berliner won with a championship record of 21.41 meters in her sixth and final effort, though she had led the competition from the third round.

She finished more than a half a meter clear of world record-holder Helena Fibingerova who had hoped to provide host team Czechoslovakia with their first and possibly only gold of the championships. But the massive Fibingerova had to settle for the silver at 20.86 meters with another East German, Margarete Dreose, taking the bronze with 20.58.



Sara Simeoni of Italy clears the bar at 185 centimeters during a qualification heat Wednesday afternoon in women's high jump final at the European track and field championships.

IOC Ratification Poll Seen

New Delay Expected in Decision on L.A. Games

By Samuel Abt

LAUSANNE, Aug. 30 (IHT) — The International Olympic Committee indicated here today that it would again delay a final decision on whether Los Angeles will be host city for the Summer Olympic Games in 1984. Such a decision generally had been expected from the nine-member executive board of the IOC, which began three days of talks last night on the latest proposal from Los Angeles and the United States Olympic Committee to settle the issue of financial responsibility for the games.

But yesterday, Monique Berlioux, the director of the IOC, said in an interview that she thought the board had two choices: either to reject the proposal or to approve it, subject to a ratification vote by all 89 IOC members around the world.

Mail Vote Expected

Today, Berlioux went a step further at a news conference, announcing that the board would submit either decision to a mail vote. "There will be no final decision, but the board will simply pass on a recommendation," she was asked. "Yes," she replied. Pressed to say when a final decision could be expected, Berlioux said, "I will be able to answer your question tomorrow." This was interpreted to mean that the executive board would announce a deadline for mail responses, which Berlioux estimated yesterday would take two weeks to a month.

She refused today to characterize the board's reception of the latest Los Angeles proposal, which was preceded by telegrams of support from President Carter, Gov. Edmund Brown Jr. of California and Mayor Tom Bradley of Los Angeles.

"On behalf of the American people," Mr. Carter told Lord Killanin, the IOC president, "I extend sincere hopes that the International Olympic Committee will act favorably on Los Angeles' bid for the 1984 Olympic Games. Best regards." The telegrams will be added to the Los Angeles dossier, Berlioux remarked dryly. In the same dossier is the new United States Olympic Committee plan, which was heard for the first time by the executive board this morning and will be discussed again tomorrow.

Liability Is Key

The proposal is understood to call for the United States Olympic Committee to guarantee Los Angeles against financial loss, with the city then able to assure the IOC that it will assume financial liability.

Its reluctance to do so — in defiance of IOC rules — has prevented the signing of the contract for the 1984 games. Berlioux said today that the IOC continued to be unwilling to alter its rules.

Outlook for Upcoming Season in the NFL

By William N. Wallace

NEW YORK, Aug. 30 (NYT) — Following is the third and last article in a series of previews of the National Football League season, which starts this weekend:

NATIONAL CONFERENCE

CENTRAL DIVISION

Down a bluff behind a parking lot at Metroland Stadium, where the Minnesota Vikings play in Bloomington, Minn., lies the Mississippi River, which rolls on and on. So do the Vikings, who have won the division championship five years in a row and nine times in the last 10 seasons. It should happen again because the competition is on a lesser level.

But the coach, the coach, has to take over for old ones, including a new defensive line should be decided on drastic change. That is not his style. Carl Eller, Jim Marshall, Alan Page and Doug Sutherland, representing 51 seasons of NFL play, are the front-four regulars again while Randy Holloway, Duck White, Mark Mullany and Joe Jackson bid their time.

The same will be so for Tommy Kroner, the second-year quarterback who had a good summer running the preseason offense in place of Fran Tarkenton, now 38 years old.

Tarkenton is fully recovered from a minor leg fracture, his first injury in 17 seasons, and has a dandy new receiver in Harry Washington, a rookie. Washington played while Sammy White recovered from an injury of little consequence.

New Kicking Game

Rickey Young, obtained from San Diego for Ed White, and the esteemed Chuck Foreman compose a formidable pair of running backs. The kickers are new — Rich Danneberg for the retired Fred Cox on punts, and Mike Wood, a rookie, for punts, following the release of Neil Clabo.

The Chicago Bears have come on fast, from four victories in 1975 to nine and a playoff berth last year. The old coach, Jack Pardee, deserted to Washington and Neil Armstrong, 52, takes charge with 14 seasons of NFL experience as a player and assistant coach.

The Bears begin with Walter Payton, the premier running back in pro football, who is helped by a young and strong offensive line. The exception there is 36-year-old Jim Morris, a former Lion and Patriot who replaced Dan Peiffer at center. Peiffer retired after a cow on his Missouri farm kicked him in the kneecap and forced an operation.

Bob Avellini has become a representative NFL quarterback who often searches for James Scott, an up-and-coming receiver. Scott gained 809 yards on 50 receptions last season. Bo Rafter and Brian Baschnagel are the other wide receivers, and Mike Cobb, a tight end, was obtained recently from Cincinnati. Payton may have a new running partner in Robin Earl, a 6-foot-5-inch, 240-pound fullback just

learning how to block a line-backer.

To catch the Vikings, the Chicago defense must go after quarterbacks. The Bears' last decent pass rush expired with Wally Chambers' knee injury in 1976. Chambers now plays for Tampa Bay, and Tommy Hart, the former 49er, is expected to improve Chicago's rush.

The Detroit Lions did not have a player in the Pro Bowl last January, and a casual fan might have trouble recognizing names such as Luther Blue, David Hill, Ray Jarvis, Dexter Bussey and Horace King. They are the receivers and running backs for this team, which does have a familiar quarterback, Greg Landry, now a 10-season veteran with the same powerful arm.

But Landry and his backups (Gary Danielson and Joe Reed) barely have had time to gulp before their offensive linemen walked. Monte Clark, a builder of offensive lines, is the new head coach, and his expertise fits the first priority. The Lions have had 26 major knee injuries in two seasons, mostly to offensive linemen.

Clark, a Don Shula disciple, ran a tough training camp, which brought grumbles. Clark turned around the 49ers from 5-9 to 8-6 in 1976, his only previous year as a head coach, and the players there respected him. He takes over a dull team that last season scored only 183 points and allowed 252. The won-lost record against Minnesota in the last decade is 2-18.

Down With Injuries

The Green Bay Packers' similar record against the Vikings is 3-17, with the last victory coming in 1974. Bart Starr, Vince Lombardi's great quarterback, now starting his fourth season as Green Bay coach, groans about mistakes while the Packers make little visible progress. David Whitehurst, a promising rookie, but at Purdue University, is the quarterback because Lynn Dickey, the expensive acquisition from Houston two years ago, has never recovered from his injuries, the last one a leg fracture.

Who else plays? Terrell Middleton and Barry Smith are the running backs. James Lofton, Ollie Smith and Rich McGeorge are the receivers. The new 3-4 defense has two starting rookie linebacks in John Anderson and Mike Hunt. Starr was not fooling when he released Fred Carr and Tom Toner, long-time linebacks on teams that in the last five years won only 24 of 70 games.

The Packers, like other losers, are caught up in a perpetual replacement process, with untired young players the reply to impatience. New to this division are the Tampa Bay Buccaneers, who lost 24 straight games before winning the last two in 1977. The Bucs won their first three exhibitions this summer and require respect.

The quarterback job is unsettled, with Gary Huff, Mike Boyle and a rookie, Doug Williams, all in the running. Under the guidance of Williams, the running backs will be Ricky Bell, Jimmy DuBoise and an Alabama rookie, Johnny Davis, who can play. The defensive platoon achieved competence last year and shut out Cincinnati in preseason. Dave Pear, the middle guard in a 3-4 formation, and Lee Roy Soloman at end set the standards.

WESTERN DIVISION

Life among the Los Angeles Rams has been fascinating this summer. George Allen came and, after two preseason games, departed as coach. Ray Malavasi, a leading assistant under Chuck Knox, was named to replace him. The Rams won the division title five straight times, took charge, and this outstanding squad relaxed. It will play for him.

There are few lineup changes. Pat Haden continues as quarterback, but should he falter, a leading second-year man, Vince Fergame, is ready. The Rams have six capable running backs, beginning with Lawrence McCutcheon and John Cappelletti. The wide receivers will be Ron Jesse, injured last year,

and Billy Waddy, who replaced Jesse. Waddy takes over for Harold Jackson, traded to New England for two future draft choices.

The defense, which gave up only 10 points a game last season for one of the best records in NFL history, is intact. Isiah Robertson, the fiery all-pro linebacker who resented Allen's ways, has been calmed down by Malavasi. Other Pro Bowl performers are Jack Youngblood and Larry Brown.

More Punch Needed

The Atlanta Falcons put up the stoutest defense in the league last year, allowing only 129 points for an NFL record. But the offense scored just 179 in a 7-7 season, and the team finished three games behind the Rams.

Leeann Bennett, then the new coach, was satisfied, and the Falcons expect to make the playoffs this season as a wild-card qualifier. But they must score more. Steve Bartkowski, the quarterback beginning his fourth season, has failed to complete a full schedule because of injuries, and the team's future depends on whether he gains confidence and consistency. He is shaky.

Woody Thompson, Haskell Stanback and Bubba Bean, the running backs, are steady if unspectacular. Bennett firmly believes in a running game, but the average yards gained per rush was only 3.2, next to last in the league last year.

The superb defense, with Claude Humphrey, Greg Breezina and Roland Lawrence the passers, has been weakened by the loss of Wilson Fautsch, a formidable pass rusher. Knee surgery has excused him for the year. The defense's best asset is John James, the punter whose kicks consistently give the opposition dreadful field position.

Green Credentials

The San Francisco 49ers are in disarray. Pete McCulley, from Allen's staff at Washington, is the fourth head coach in four seasons. He is a yes man for Joe Thomas, the general

manager who engineered the club's sale last year to the DeBartolo family, a wealthy father-son duo from Youngstown, Ohio. They build shopping centers.

Jim Plunkett, following two dismal seasons as the quarterback, has been no better in preseason games. O.J. Simpson, the expensive import from Buffalo, and Wilbur Jackson, a bold-dog, were designed to be a dynamic running duo, but Jackson has a knee in a cast while O.J. has been tentative. Bobby Ferrell, a 1976 free agent with little pro playing time, will take Jackson's place.

The offense has two new guards, often an unsettling change, and a rookie at tight end in Ken MacAfee, who has considerable credentials. Freddy Solomon at wide receiver and Vern Robertson at safety, both acquired from Miami, are solid, especially Solomon, who complements the seasoned Gene Washington. Solomon and Robertson came in the trade for Del Williams, the running back deemed expendable when Simpson was obtained.

The promised presence of Simpson, whose \$750,000 annual salary is twice to 20 times that of any other NFL player, has resulted in a 50 percent gain in season ticket sales. O.J. is 31 and underwent knee surgery last October, thus missing the last half of the Billy's dismal season. The 49er defense is fine up front but sketchy elsewhere, with a rookie at middle linebacker in Dan Buzz and three new regulars in the secondary.

Another New Coach

The New Orleans Saints have been in the NFL for 10 years without a winning season or a division standing other than last or next to last. They have their sixth new coach in Dick Nolan, who succeeded Hank Stram, who was fired after a predictable disagreement with the owner, the impatient but wealthy oil scion, John Mecom Jr. (Mecom, who directed the 49ers to three division titles in the early 1970's, is a patient teacher. His attention has gone first in the defensive unit, which will have five new regulars. The Saints gave up 336 points last season, a total exceeded only by Kansas City's Joe Pedersoli, a capable but unacknowledged linebacker, holds the elements together.

Offensively, the Saints can slug it out because of Chuck Muncie and Tony Galbreath, 230-pound running backs. In addition, Galbreath has secure hands, having caught 41 passes last season to lead all NFC running backs.

Archie Manning, now 29, has played for five of the six Saint coaches and survived six major injuries, some of them the fault of feckless protection. Manning can be a superb quarterback and this year, for a change, will have a targets two superior wide receivers in Ike Harris and Wes Chandler. Harris and Conrad Dobler, the new guard, came from the Cardinals and Chandler from the draft. The Florida alumnus is expected to be the NFL rookie of the year.

3-Run Homer by Matthews

Braves Rally to Down Cubs, 4-3

From Wire Dispatches

ATLANTA, Aug. 30 — Gary Matthews hit a three-run homer in the seventh inning and Buddy Jay Solomon scattered six hits over seven innings to give the Atlanta Braves a 4-3 victory over the Chicago Cubs last night.

The Braves trailed by two runs when Matthews pounded a pitch by Lynn McGlothen, 4-2, over the left-field wall for his 15th home run of the season. It was the Braves' second straight victory over the Cubs after a seven-game losing streak.

Astros 6, Cardinals 3

At Houston, Dennis Walling drove in three runs to lead Houston to a 6-3 victory over St. Louis.

Giants 2, Mets 0

At San Francisco, Bob Knepper pitched a four-hit shutout while Jim Dwyer homered and threw out a runner at the plate, leading San Francisco to a 2-0 victory over New York. It was the fourth shutout this season and 15th complete game for Knepper. He struck out six — including the side in the ninth — and walked three.

Dodgers 4, Expos 1

At Los Angeles, Joe Ferguson hit a three-run homer in the fourth inning and Tommy John pitched a six-hitter for his 16th victory as Los Angeles posted a 4-1 decision over Montreal. In hurling his seventh complete game, John became the fourth National League pitcher with 16 victories this year.

Phillies 9, Padres 5

At San Diego, Jerry Martin drove in four runs and Gary Maddox knocked in three to lift Philadelphia to a 9-5 victory over San Diego.

Pirates 5, Reds 0

At Cincinnati, Bert Blyleven pitched a four-hitter and Willie Stargell drove in three runs, one with a 20th homer, as Pittsburgh kept Cincinnati skidding, 5-0. It was Cincinnati's sixth straight loss, 16th in 22 games.

Yankees 4, Angels 3

In the American League, at New York, Paul Blair hit a 400-foot, bases-loaded single in the 11th inning as New York defeated California, 4-3, and extended its winning streak to five games. Graig Nettles doubled to lead off the 11th, then Dave La Roche intentionally walked Lou Piniella and Cliff Johnson to load the bases. Blair's long drive went over the head of Angel center-fielder Ken Landreaux.

Tigers 4, Twins 2

At Detroit, Rusty Staub doubled in two runs as Detroit erupted for four runs in the fourth inning off Dave Goltz for a 4-2 victory over Minnesota. Milt Wilcox, who gave

up a first-inning homer to Mike Cubbage, scattered seven hits to win his sixth consecutive game, the last four complete games.

Brewers 6, Indians 0

At Cleveland, Don Money hit a three-run homer and rookie right-hander Andy Replogle fired a shutout to pace Milwaukee to a 6-0 victory over slumping Cleveland.

Red Sox 10, Mariners 5

At Boston, George Scott hit a grand-slam homer to highlight a five-run fifth inning, powering Boston to a 10-5 romp over Seattle. Dick Drago, making his first start in more than three years, pitched six innings to improve his record to 3-4. Tom Burgmeier buried the final three innings to earn his fourth save.

Orioles 6, A's 2

At Baltimore, Rich Dauer, shaken up in a spectacular collision that forced Oakland pitcher Mike Norris out of the game, hit a home run in his next at-bat as Baltimore beat Oakland, 6-2, for its eighth consecutive victory and a sweep of the year's series with Oakland.

Blue Jays 4, Rangers 1

At Arlington, Texas, Balor Moore hurled a five-hitter and Otis Velez hit a two-run homer as Toronto tripped Texas, 4-1.

White Sox 9, Royals 3

At Kansas City, Don Kessinger doubled home two runs in the seventh inning and Lamar Johnson knocked in two with two singles, staking Chicago to a 9-3 victory over Kansas City.

Tennis Center Debut

Borg, Austin Easy Victors In U.S. Open 1st Round

NEW YORK, Aug. 30 (AP) — Wimbledon champion Bjorn Borg and 15-year-old Tracy Austin zipped through opening-round matches last night of the U.S. Open tennis championships, which are being played for the first time in the new National Tennis Center.

Borg, despite his complaints that the synthetic courts were too fast, easily defeated Bob Hewitt, 6-0, 6-2.

Austin, who was a quarterfinalist in the Open last year and is seeded fifth this time, beat Trishostrom, 6-0, 6-1. The baseline batter is viewed by many as a likely successor to Chris Evert as the premier U.S. woman player.

"I wouldn't put my money on me," she said, though, of her chances here, adding that she thinks Evert and Wimbledon champ Martina Navratilova are the main contenders.

Bostrom made it into the draw as an alternate when Austin's original opponent, Françoise Durr, defaulted with an injury from a bicycling accident.

Borg, who has won Wimbledon three times in a row, is on his way to achieving the first Grand Slam in tennis since Rod Laver's in 1969. He won the French Open this year as well, and needs this title and the Australian championship to win the Grand Slam.

"If I play well I will be in good shape, but I need a little luck, too," Borg said after the opener. He said he was surprised at how fast-paced the new courts were, as the tennis center adding that they are even faster than the grass at Wimbledon.

He raced about the moderately fast-paced court, whipping his tops-

pin groundstrokes, and Hewitt offered only token resistance. Hewitt won his first game — the fifth in the second set — by bearing down on serve, bringing Borg forward and passing him. He held serve again in the seventh game after a brief duce battle, but Borg took the final game at love.

Their match was the inaugural event in the U.S. Tennis Association's \$10-million tennis center.

On hand for the opening ceremonies was Lillian Armstrong, the widow of Louis Armstrong for whom the center's stadium was named. The stadium, built originally for the 1984 World's Fair, was restored for tennis and seats 20,000. The state-of-the-art West Side Tennis Club in Forest Hills, N.Y., which hosted the Open for six decades, seated only 12,000.

Orantes Defeats Solomon, Keeps U.S. Pro Crown

BROOKLINE, Mass., Aug. 30 (UPI) — Manuel Orantes, serving up six aces and befuddling his opponent throughout, swept past Harold Solomon, 6-4, 6-3, yesterday to win his second straight U.S. Professional tennis championship.

Orantes is not known for his serving prowess but the first game of the match at the Longwood Cricket Club was an indication of how it was going to go for Solomon all night.

Solomon was one break point away when Orantes blasted an ace and a service winner en route to taking the game. Orantes grabbed the next two to take a 3-0 lead before Solomon finally held service to take the game.

In the first game, Solomon again had two break points but Orantes blasted two more service winners and went up, 4-1. At 5-2, Solomon launched a brief rally, winning two games. But Orantes broke back, winning the first set, 6-4.

The championship match, scheduled for Monday, was played yesterday because heavy rain had soaked the Longwood court.

Sonics' Webster Signs Contract With the Knicks

NEW YORK, Aug. 30 (AP) — Marvin Webster, the 7-foot-1, 240-pound pivotman who led the Seattle SuperSonics to the National Basketball Association playoffs last season before becoming a free agent, has signed with the New York Knicks. It was announced yesterday.

Webster said that he was ready to sign a new contract with the SuperSonics last Friday. "We had reached an agreement, but some things turned out not to be true," Webster said at Madison Square Garden.

Webster and his agent, Larry Fleisher, then reopened negotiations with the Knicks, who had been after Webster all summer, especially after failing to lure Bill Walton from Portland.

"The Knicks sat down and told me things and they turned out to be true," said Webster. "I respected that. They treated me honestly. That's why I'm here. It wasn't a matter of money at all. It was the way I was treated."

Knicks officials would not reveal the terms of the contract, but Sonny Werhlin, president of Madison Square Garden, said that it made Webster the highest paid Knick. Bob McAdoo currently earns \$300,000 a year, while Webster's contract has been estimated at \$3 million over five years.

U.S. Court to Rule On Umpires' Strike

PHILADELPHIA, Aug. 30 (AP) — Representatives from baseball's American and National leagues and the Major League Umpires Association are to meet here Wednesday at a hearing to determine whether the umpires have the right to strike.

A temporary restraining order was issued last Friday forcing the umpires back to work after a one-day strike. The umpires are seeking improvements in a contract that runs through 1981.

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Professional Sports Transactions

FOOTBALL

National Football League

ATLANTA FALCONS — Cut Ron McCutcheon, defensive back, from the injured reserve list. Acquired Earl T. Brown, defensive back, from the Detroit Lions for cash. Claimed Willie Shuler, running back, from the Cincinnati Bengals.

BALTIMORE COLTS

Acquired Dave Stabler, running back, from the Oakland Raiders. Signed Dick Johnson, safety, from the Oakland Raiders.

BUFFALO BILLS

Released Tom Demme, kicker; John Morton, linebacker; Bill Dunstan, tackle. Placed on the injured reserve list.

CINCINNATI BENGALS

Acquired Jeffery, Greg Fairchild, guard; Ken Johnson, tackle; John McDuffie, wide receiver; Ray Phillips and Ron Shuman, linebackers; Willie Shuler, running back. Signed Dick Johnson, safety, from the Oakland Raiders.

DETROIT LIONS

Acquired John Brackington, running back; Craig Hervey, offensive tackle; Melvin Mitchell, center; Don Gray,

Baseball

Philadelphia Eagles

Released Rick Evers, pitcher. Acquired Brian Dutoit, wide receiver, from the St. Louis Cardinals.

Pittsburgh Steelers

Acquired Jack Delamater, running back; Dave Beckler, linebacker. Acquired Greg Westbrook, linebacker, from the New Orleans Saints.

ST. LOUIS CARDINALS

Acquired Greg Westbrook, linebacker, from the Pittsburgh Steelers. Released Willie Shuler, running back, from the Oakland Raiders.

WASHINGTON REDSKINS

Acquired Jim McMahon, tight end; Dennis Johnson, defensive end; Rusty Tillman, special teams; Mike Holmes, offensive tackle. Acquired Jack Delamater, running back, from the Pittsburgh Steelers. Released Willie Shuler, running back, from the Oakland Raiders.

NEW ENGLAND PATRIOTS

Acquired Don Howard, defensive back; Tom Peterson, linebacker; Dave Stabler, running back. Released Willie Shuler, running back, from the Oakland Raiders.

NEW ORLEANS SAINTS

Acquired Greg Westbrook, linebacker, from the Pittsburgh Steelers. Released Willie Shuler, running back, from the Oakland Raiders.

Baseball

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